

# Final Performance Evaluation

*Building the Capacity of the Peruvian Labor Inspectorate*

*Building Union Capacity to Reduce Precarious Employment in Peru*



SUNAFIL Ica Intendency. April 2019.



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## **TASK & DELIVERABLE**

Multi-Project Final Performance Evaluation of *Building the Capacity of the Peruvian Labor Inspectorate* and *Building Union Capacity to Reduce Precarious Employment in Peru*  
Final Evaluation Report

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## **ACKNOWLEDGMENTS**

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This report describes in detail the multi-project final evaluation of the *Building the Capacity of the Peruvian Labor Inspectorate* and the *Building Union Capacity to Reduce Precarious Employment in Peru* projects. Fieldwork for this evaluation was conducted in April 2019. IMPAQ International, LLC, conducted this independent evaluation in collaboration with WI-HER, LLC, the project team, and stakeholders, and prepared the evaluation report according to the terms specified in its contract with the United States Department of Labor. IMPAQ would like to express sincere thanks to all the parties involved for their support and valuable contributions.

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## LIST OF ACRONYMS

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BUCCEP	Building the Capacity of Trade Unions to Combat Precarious Employment in Peru
CA	Cooperative Agreement
CFC	SUNAFIL Centro de Formación-Training Center
CGTP	Confederación General de Trabajadores del Perú, General Confederation of Peruvian Workers
CHS	Capital Humano y Social
CSR	Corporate Social Responsibility
CSO	Civil Society Organization
DFFF	Dirección General de Derechos Fundamentales y Salud y Seguridad Ocupacional, General Directorate of Fundamental Rights and Occupational Safety and Health
DO	Development Objective
DGPIT	Dirección General de la Política de Inspección del Trabajo, National Directorate for Labor Inspection Policy
EsSalud	Seguro Social de Salud, Social Health Insurance
FENTAGRO	Federación Nacional de Trabajadores de Agroindustria y Afines, National Federation of Agroindustry Workers
FGD	Focus Group Discussion
FLA	Fair Labor Association
FNTMMSP	Federación Nacional de Trabajadores Metalúrgicos y Siderúrgicos del Perú, National Federation of Metalworkers and Steelworkers of Peru
FNTTP	Federación Nacional de Trabajadores Textiles del Perú, National Federation of Textile Workers of Peru
GoP	Government of Peru
GOR	Grant Officer Representative
ILO	International Labour Organization
INGO	International Non-Governmental Organization
INII	Intendente Nacional de Inteligencia de Inspección, National Intendant for Inspection Intelligence
INPA	Instituto Nacional de Prevención y Asesoría, National Institute for Prevention and Assessment
INSSI	Intendente Nacional de Supervisión del Sistema de Inspección, National Intendant for the Supervision of the Inspection System
IO	Immediate Objective
IP	Implementing Partner
ISTO	Intermediate Short-Term Objective
IT	Information Technology
KII	Key Informant Interview
KSA	Knowledge, skills, and awareness
LIS	Labor Inspection System
LTO	Long-Term Objective
M&E	Monitoring and Evaluation
MNCs	Multinational Organizations
MPG	Management Procedures & Guidelines
MTO	Medium-Term Objective
MTPE	Ministerio de Trabajo y Promoción de Empleo, Ministry of Labor and Employment Promotion
NGO	Non-Governmental Organization

OECD	Organization for Economic Cooperation and Development
OPT	Output
OSH	Occupational Safety and Health
OTLA	Office of Trade and Labor Affairs
PLADES	Programa Laboral de Desarrollo, Program of Labor Development
PLIP	Building the Capacity of the Peruvian Labor Inspectorate Project
PMP	Performance Monitoring Plan
PNSIT	National and Sectoral Labor Inspection Plan
PTPA	United States-Peru Trade Promotion Agreement
PUCP	Pontificia Universidad Católica de Perú, Pontifical Catholic University of Peru
RENIEC	Registro Nacional de Identificación y Estado Civil, National Registry of Identification and Civil Status
SC	American Center for International Labor Solidarity
SIAN	Sistema de Información Articulado Nacional, National Articulated Information System
SIIT	Sistema Informático de la Inspección de Trabajo, Labor Inspection Information System
SIO	Sub-Immediate objective
SNI	Sociedad Nacional de Industrias, National Society of Manufacturers
STO	Short-Term Objective
SUNAFIL	Superintendencia Nacional de Fiscalización Laboral, National Superintendence of Labor Inspection TAC Technical Assistance and Cooperation Division
SUNARP	Superintendencia Nacional de los Registros Públicos, National Superintendence of Public Records
SUNAT	Superintendencia Nacional de Aduanas y de Administración Tributaria, National Superintendent of Customs and Tax Administration
TOR	Terms of Reference
TOT	Training of Trainers
TPR	Technical Progress Report
USDOL	United States Department of Labor
USDOL/ILAB	United States Department of Labor/ Bureau of International Labor Affairs
USDOL/OTLA	United States Department of Labor/ Office of Trade and Labor Affairs
USG	United States Government

## EXECUTIVE SUMMARY

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Human capital and productivity represent a key reform area in Peru's journey toward full membership in the Organization for Economic Cooperation and Development (OECD). Yet at the heart of this priority is Peru's labor context, which is complex and the root of numerous socioeconomic and political challenges. A major issue facing the country's attempts at labor reform is the regular use of short-term contracts and outsourcing in the formal labor sector. In Peru's three major export industry sectors (agro-export, textile, and mining), temporary contracting arrangements are preferred and supported by current Peruvian laws. To employers and the Government of Peru (GoP), the laws are seen to facilitate productivity and competitiveness. To workers, they are perceived as undermining labor rights, wages, union membership, and collective bargaining.

In response, the US Department of Labor's (USDOL) Office of Trade and Labor Affairs (OTLA) has directed resources to two capacity-building projects, as summarized below.

1. In December 2014, Social and Human Capital (Capital Humano y Social or CHS) signed a four-year, US\$ 2 million Cooperative Agreement (CA) with USDOL/OTLA to implement *Building the Capacity of the Peruvian Labor Inspectorate* (PLIP). In September 2018, USDOL approved a no-cost project extension through June 2019. The civil society organization (CSO) Labor Development Program (Programa Laboral de Desarrollo or PLADES) is its primary implementer. PLIP builds the labor law–enforcement capacity of the National Superintendence of Labor Inspection (Superintendencia Nacional de Fiscalización Laboral or SUNAFIL). The project's geographic scope was Lima, Ica, and Loreto.
2. In November 2015, the American Center for International Labor Solidarity (aka the Solidarity Center or SC) signed a two-year, US\$ 1 million CA with USDOL/OTLA to implement *Building the Capacity of Trade Unions to Combat Precarious Employment in Peru* (BUCCPEP). BUCCPEP strengthened worker organizations as a means to engage members, employers, and the GoP in reducing abusive short-term employment contracts and unlawful subcontracting. The project's geographic scope was Lima, Ica, and La Libertad.

USDOL/Bureau of International Labor Affairs (ILAB) contracted IMPAQ International, LLC (IMPAQ) to conduct a multi-project, final evaluation of the PLIP and BUCCPEP projects. The entire evaluation effort took place between March and June 2019. The results of this evaluation can be used to guide future programming efforts aimed at increasing the capacity of labor inspectorates and unions and, in turn, improving labor conditions and labor relations.

## Summative Findings

The evaluation findings are grounded in USDOL evaluation criteria: Relevance, Efficiency, Effectiveness, Impact, and Sustainability. For each project, findings will be presented according to each evaluation question. For Questions 1 and 4, the following scale was utilized to rate progress: **low, moderate, above-moderate, or high**.

### **Question 1. To what extent has the project achieved its theory of change?**

#### **Building the Capacity of the Peruvian Labor Inspectorate (PLIP)**

The extent to which PLIP achieved the results anticipated in its theory of change is summarized below.

- **Development Objective (DO)** (*Improved Effectiveness of National Inspection System*) **cannot be assessed** given a lack of results and indicators.
- **Immediate Objective 1 (IO 1)** (*Enhanced SUNAFIL's Capacity*) is evaluated at a **moderate** level of achievement.
- **IO 2** (*Enhanced Inspectors' Capacity*) is evaluated at an **above-moderate** level of achievement.
- **IO 3** (*Improved Labor Inspection*) is evaluated at a **low** level of achievement.

Overall, the project laid important groundwork in partnering with SUNAFIL. The project contributed to strengthening SUNAFIL's information system at the national level and trained 549 inspection staff. However, given missing DO indicators, the extent to which PLIP improved the effectiveness of Peru's emerging National Labor Inspection System (LIS), as per the theory of change, cannot be determined.

### **Building Union Capacity to Reduce Precarious Employment in Peru (BUCCPEP)**

The extent to which BUCCPEP achieved the results anticipated in its theory of change is summarized below.

- **Long-Term Objective (LTO)** (*Constituents, Employees, and GoP Address Short-term Contract Arrangements*) is evaluated at a **moderate** level of achievement.
- **Medium-Term Objective 1 (MTO 1)** (*Improved Education of Workers*) is evaluated at an **above-moderate** level of achievement.
- **MTO 2** (*Improved Representation of Workers*) is evaluated at a **moderate** level of achievement.

Given available time and resources, the project laid an important foundation for working with federations and unions and training their members. The project also supported the filing of test cases that positively affected the lives of 250+ short-term employees and may set a legal precedent that could impact many more. However, considering the full labor context in its target geography, the extent to which BUCCPEP contributed to the expected results in the theory of change is considered to be at an introductory level, among a select group of beneficiaries.

### **Question 2. Did the project cause unintended effects?**

#### **Building the Capacity of the Peruvian Labor Inspectorate (PLIP)**

Through its implementation, PLIP has generated four unintended results.

1. Forging a new partnership with the Peruvian Ministry of Labor and Employment Promotion (Ministerio de Trabajo y Promoción de Empleo or MPTE) and the resulting National and Sectoral Labor Inspection Plan (PNSIT).
2. Developing new/strengthened relationships in the labor sector among civil society organizations, GoP, unions, and USDOL.
3. Facilitating a positive 'training-effect' that includes increases in inspector motivation, training demand, and digital literacy via use of the virtual classroom.
4. Developing capacity of local Peruvian organizations (i.e., CHS and PLADES) as respected GoP partners, able to implement USDOL projects.

#### **Building Union Capacity to Reduce Precarious Employment in Peru (BUCCPEP)**

Through its implementation, BUCCPEP has generated three unintended results.

1. Improving soft skills and leadership aspirations, particularly among women in the textile federation (Federación Nacional de Trabajadores Textiles del Perú or FNTTP).
2. Engaging international organizations (e.g., corporate social responsibility [CSR] certification firms, unions, and international non-governmental organizations [INGOs]) to allow greater leverage in social dialogues and increased employer accountability.
3. Potential blowback on select groups of workers in the agro-export and textile sectors.

### **Question 3. What were key factors that facilitated and limited results achievement?**

#### **Building the Capacity of the Peruvian Labor Inspectorate (PLIP)**

**Facilitating Factors:** (1) SUNAFIL and MPTE partnership; (2) GoP political will for SUNAFIL; (3) PLIP capacity-building project approach; (4) Peruvian implementers; and (5) SUNAFIL's virtual classroom.

**Limiting Factors:** (1) Overall PLIP project design; (2) Complexity of the Labor Inspection System; (3) SUNAFIL leadership turnover; (4) Inadequate employer focus; (5) Weak International Labour Organization (ILO) partnership; (6) LIS information gaps; (7) SUNAFIL Training Center not part of organizational structure; and (8) Lack of information technology (IT) personnel and software for SUNAFIL.

Internal factors dominated the facilitation of PLIP results achievement, while external factors were more often responsible for limiting success.

#### **Building Union Capacity to Reduce Precarious Employment in Peru (BUCCPEP)**

**Facilitating Factors:** (1) Federation partnerships; (2) Export-industry focus; and (3) Covering basic expenses for training participants.

**Limiting Factors:** (1) Overall BUCCPEP project design; (2) Training as primary intervention; (3) Complexity of labor laws; (4) Efficiency and effectiveness of inspection processes; (5) Union promoters' reality; (6) Limited organizational capacity of unions in agro-export and textile sectors; (7) Peruvian judicial system; and (8) SUNAFIL leadership turnover.

Similar to the case with the previous project, internal factors were more likely to facilitate BUCCPEP results achievement, while external factors were more often responsible for limiting success.

### **Question 4. What is the likelihood that project activities and results will continue absent USDOL resources?**

#### **Building the Capacity of the Peruvian Labor Inspectorate (PLIP)**

The overall probability of replicating PLIP's results without the assistance of USDOL is evaluated as **moderate**. Sustainability for the DO and IOs are presented below.

- **DO** (*Improved Effectiveness of LIS*). The evaluation cannot assess sustainability for this result as it has no corresponding indicators and, by default, no activities.
- **IO 1** (*Enhanced SUNAFIL's Capacity*). The probability of sustaining IO 1 activities and results is **moderate**.
- **IO 2** (*Enhanced Inspectors' Capacity*). The probability of sustaining IO 2 activities and results is **above-moderate**.

- **IO 3** (*Improved Labor Inspection*). The probability of sustaining IO 3 activities and results is **low**.

### **Building Union Capacity to Reduce Precarious Employment in Peru (BUCCPEP)**

The overall probability of replicating BUCCPEP's results without the assistance of USDOL is evaluated as **low**. Sustainability for the LTO and each MTO are presented below.

- **LTO** (*Constituents, Employees, and GoP Address Short-term Contract Arrangements*). The probability of sustaining LTO activities and results is **low**.
- **MTO 1** (*Improved Education of Workers*). The probability of sustaining MTO 1 activities and results is **low**.
- **MTO 2** (*Improved Representation of Workers*). The probability of sustaining MTO 2 activities and results is **low**.

### **Question 5. What were the lessons learned, promising practices, and emerging trends?**

The key lessons, practices, and trends below emanate from both projects.

**Lessons Learned:** (1) Long-term perspective for Labor Inspection System change; (2) Adjusting projects' desired change to context and available resources; (3) Considering sustainability and scaling early; (4) Purposefully engaging employers; (5) Soft skills matter; (6) Monitoring and Evaluation (M&E) support for local implementers; (7) Potential for unintended, negative effects; (8) Importance of developing organizational capacity; and (9) Balancing roles and responsibilities of volunteers.

**Promising Practices:** National and Sectoral Labor Inspection Plan or PNSIT (PLIP); Leveraging external actors to influence or resolve issues (BUCCPEP); Working through Peruvian institutions (PLIP and BUCCPEP); Effective training approaches (PLIP and BUCCPEP).

**Emerging Trends:** (1) Short-term contracts and outsourcing continue in Peru; (2) Centralization's negative effect on the intendencias (*intendencias regionales* or regional branches responsible for labor inspections); (3) Formalizing labor is the GoP priority; (4) Low-functioning tripartite relationships among workers, employers, and the GoP; (5) Strategic window of opportunity to strengthen LIS; (6) Potential for legal precedent in Peru's mining sector; (7) Diverse sector realities in export industry continued; and (8) Positive outlook for continued partnership.

### **Recommendations**

The ten recommendations presented below are for consideration for future USDOL programming in Peru or, as relevant, in other countries aiming to strengthen their national inspection system or key tripartite actors within it.

1. **Finding the Optimal Issue Intersect for USDOL Interventions.** Short-term contracting arrangements are indeed a serious and persistent issue in Peru. Given this reality, there should be an honest discussion between MPTE / SUNAFIL and USDOL as to whether there is intent for future programming. Three 'issue options' for USDOL's consideration are: a stronger position on short-term contracting arrangements (Option 1); a functional focus on strengthening key organizations (Option 2); or a formalization focus (Option 3).

2. **Long-Term Programming Approach to Improving LIS in Peru.** Supporting Peru's Labor Inspection System is not a quick-fix effort. Thus, an investment that aims to facilitate improvement in LIS should be strategic, consistent, and intense over a longer period of time. Short-term, intermittent programming will have limited effects. As possible, funding disruptions and time-gaps should be minimized or avoided.
3. **Consolidating Projects and Resources.** A programming strategy that has multiple, ongoing, low-investment projects targeting different tripartite actors is not optimal for Peru. Given this, and potential resource limitations, a more integrated approach to facilitating change may be warranted.
4. **Organizational Development (OD) Approach.** Training individuals is important but ideally should not be the primary or unique intervention. Given that both projects worked with and through institutional partners, an OD approach may offer a sound framework to build capacity at individual, group, and organizational levels.
5. **Complementary Tripartite Programming Focus.** Implicit in the preceding recommendations is the need to focus on strengthening relationships and coordination among all three tripartite members (workers, employers, and the GoP). In particular, there is a need to strengthen the efficiency and effectiveness of social dialogue and collective bargaining in Peru.
6. **Consider Requiring Approaches Such As 'Do No Harm'.** In peace-building and reconciliation activities, organizations often use a 'Do No Harm' approach to maximize assistance in conflict scenarios and limit negative repercussions. This or a similar tool (which links a deep context analysis to programming intentions) could be useful in preventing (ideally) or limiting negative effects of labor programming in Peru.
7. **LIS Programming Options.** Critical interventions to add-value to Peru's labor inspectorate programming should include: (1) learning from regional LIS practices; (2) empowering regions and inspectors: mandating and performing evidence-based, standardized, and objective labor inspections; (3) leveraging Peruvian experience thus far to then go deeper; and (4) strengthening tripartite relationships among workers, employers, and the GoP.
8. **Sustainability as Part of Project Design.** Beyond new USDOL requirements that implementers focus on sustainability during implementation, consideration of sustainability must also be integrated into USDOL projects.
9. **USDOL Project Design Review Committee.** In both projects, problems with the theories of change led to implementation, management, and performance-monitoring difficulties. To better facilitate relevant USDOL project design and ensure that its theories of change are of the highest quality, USDOL should designate a project design review committee (i.e., composed of internal and external members close to the project, issue, or country), responsible for vetting and strengthening a given project's theory of change and its corresponding results framework.
10. **Consistent Project-Level M&E Support.** The evaluation encountered significant challenges with baseline studies, targets, results statements, indicators, data-collection instruments, and approaches. There were also quality-control issues with the final Performance Monitoring Plans (PMPs) and how they were populated. It is recommended that USDOL invest in a standard training (could be in a virtual format) that helps implementers maximize M&E management across their respective projects.

# 1. CONTEXT AND PROJECT DESCRIPTION

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## 1.1 Labor Context in Peru

Human capital and productivity represent a key reform area in Peru's journey toward full membership in the Organization for Economic Cooperation and Development. Yet at the heart of this priority is Peru's labor context, which is complex and the root of numerous socioeconomic and political challenges. Peru is one of the few countries in Latin America that does not possess a general labor code. And its current laws, realization of labor rights, and employer–worker relations are not affording the productivity, competitiveness, or socioeconomic opportunities of which the country is capable.

Peru's Ministry of Labor and Employment Promotion asserts that, as of 2017, 72.5 percent of the economically active population are employed in the informal labor sector, with a disproportionate segment of female participants.<sup>1</sup> Additionally, models show that this reality could persist to 2050.<sup>2</sup>

Obstacles to reducing the informal sector are considerable and made more complex by regular use of short-term contracts and outsourcing in the formal sector, which foments abuse. MTPE estimates that 80 percent of companies use subcontracting or outsourcing firms to hire workers on a short-term basis. In Peru's three major export-industry sectors, the preferred contracting mechanisms are: (a) *textile and apparel*: 73 percent employed on short-term contracts<sup>3</sup>; (b) *agriculture*: 83 percent employed on short-term contracts<sup>4</sup>; and (c) *mining*: employs the second-highest number of workers contracted through intermediation and outsourcing arrangements.<sup>5</sup>

Numerous Peruvian laws permit the use of fixed-term or indirect contracting.<sup>6</sup> To employers and the GoP, the laws are seen to facilitate productivity and competitiveness. To workers, they are perceived as undermining labor rights, wages, union membership, and collective bargaining.

Against this backdrop, in 2014, the Peruvian Mining Federation sent a letter of complaint to USDOL about a breach of minimum labor standards, as stipulated in Chapter 17 of the United States–Peru Trade Promotion Agreement (PTPA).<sup>7</sup> Then, in July 2015, international and national non-governmental organizations (NGOs) and trade-union confederations filed a similar complaint against the GoP. The submission alleges that the Non-Traditional Export Law (22342) and the Agricultural Promotion Law (27360) permit violations of trade-union rights, discrimination, and occupational safety and health (OSH) violations. It further alleges that the GoP has failed to enforce laws in the agriculture- and textile-export sectors. Months later, the Peruvian Inspectors Union filed a supplementary text regarding the inspection system, adding this group as additional petitioners.

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<sup>1</sup> Gobierno de Perú, *Política, Política Nacional de Competitividad y Productividad*, January 2019, p. 28. CEPLAN, *Economía informal en Perú: Situación: Situación actual y perspectivas*, March 2016, p. 16.

<sup>2</sup> *Ibid*, CEPLAN. p. 33.

<sup>3</sup> MTPE/OGETIC/Oficina de Estadística, Cuadro 119, 2014.

<sup>4</sup> Julio Gamero, *Situación de las Empresas Agro-Exportadoras y el Costo de Implementación de la Ley SST*, May 2015.

<sup>5</sup> MTPE Planilla estadística/T-Registro y PLAME 2014.

<sup>6</sup> See laws: 22342 (promotion of export markets); 27360 (agriculture); 29245 (outsourcing law); Procedural Labor Law; 29981 (creation of SUNAFIL); 30222 (safety and health at work); 1246 (short-term contracting).

<sup>7</sup> USDOL did not formally accept the complaint as it did not meet formal review requirements. Complaint was submitted to the General Office of Cooperation and International Affairs in the Ministry of Labor on October 7, 2014.

In response, USDOL/OTLA directed resources to two projects aimed at bolstering capacity of the GoP's labor inspectorate and Peruvian trade federations and unions. These projects are summarized below in Sections 1.2 and 1.3, respectively.

## **1.2 Building the Capacity of the Peruvian Labor Inspectorate (PLIP)**

In December 2014, CHS (Human and Social Capital) signed a four-year, US\$ 2 million CA with USDOL/OTLA to implement PLIP. In September 2018, USDOL approved a no-cost project extension through June 2019. The civil society organization PLADES (Program of Labor Development) is its primary implementer. PLIP builds the labor law–enforcement capacity of SUNAFIL (the National Superintendence of Labor Inspection). The project's geographic scope is Lima, Ica, and Loreto.

In 2013 SUNAFIL was established by Law 29981. This law was promulgated as a result of a challenged inspectorate system that was decentralized and driven by regional governments. The MTPE strategy was to transition the labor-enforcement system back to a more centralized one. In 2014, SUNAFIL was established as the central labor-inspection authority. It is operationalized through regional branches or intendencias (*intendencias regionales*) responsible for planning, developing, and conducting labor inspections.<sup>8</sup> The regional offices report to the National Superintendent of SUNAFIL.

As of July 2017, the mid-term evaluation of PLIP found that the National Labor Inspection System or LIS (Sistema de Inspección del Trabajo) continues to have too few inspectors, with inspector-to-worker ratio of 1 to 36,818. This is well over the ILO's recommended inspector-to-worker ratio of 1 to 20,000 for economies in transition such as Peru.<sup>9</sup> It also found that the information contained in the Labor Inspection Information System (Sistema Informático de la Inspección de Trabajo or SIIT) was incomplete, not regularly updated, and lacked specific information on the remedial process around cited violations.

PLIP supports SUNAFIL at its central location in Lima and, to a lesser extent, in its regional offices. Direct beneficiaries include SUNAFIL and regional intendency staff. Indirect beneficiaries include workers whose workplaces are inspected by PLIP-trained labor inspectors, regional governments, MTPE and its regional labor directorates, and trade unions and employers' associations.

The Development Objective is to improve the effectiveness of Peru's LIS. Three Immediate Objectives exist: (IO 1) Strengthen SUNAFIL's capacity transition to a newly legislated centralized system; (IO 2) Enhance professional capacity of a new cadre of labor inspectors; and (IO 3) Improve SUNAFIL capacity to identify illegal use or abuse of short-term and temporary contracts (focus on non-traditional export industries). Under the IOs are seven Sub-immediate Objectives (SIOs), which are further described in Section 3.1.1.

## **1.3 Building Union Capacity to Reduce Precarious Employment in Peru (BUCCPEP)**

In November 2015, the Solidarity Center signed a two-year, US\$ 1 million CA with USDOL/OTLA to implement BUCCPEP. The project strengthened worker organizations as a means to engage

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<sup>8</sup> Inspections of micro-enterprises (defined as enterprises with ten or fewer registered employees) are conducted by labor inspectors from regional governments.

<sup>9</sup> O'Brien, Dan and Ena Lillian Nuñez. "Independent Midterm Evaluation of the Strengthening the Institutional Capacity of the Peruvian Labor Inspection System Project." U.S. Department of Labor: September 2017.

members, employers, and the GoP in reducing abusive short-term employment contracts and unlawful subcontracting. The project's geographic scope was Lima, Ica, and La Libertad.

As discussed, Peruvian laws permit short-term contracts and outsourcing temporary contracts. Labor experts believe these laws and their interpretation have had a negative effect on basic labor rights, such as freedom of association, collective bargaining, discrimination, stable employment, occupational safety and health, and effective workplace inspections. Equally important, these types of subcontracts can facilitate precarious forms of employment, including arbitrary terminations; abuse or intimidation; terminations associated with union membership or claiming labor rights; lack of training or safety equipment (i.e., mining sector); mandating work in hazardous situations (e.g., pesticide spraying in the agricultural industry); stagnating or reduced wages; or no provision of health, profit-sharing, or retirement benefits.

In July 2017, the mid-term evaluation of BUCCEP found that beyond the negative effects on basic labor rights and worker well-being, perpetual short-term subcontracting generates challenges that could continue to hinder Peruvian economic development and respect for rights.<sup>10</sup> Additionally, trade unions and, to some extent, their federations typically possess low management, financial, and operational capacity. These combined realities, along with a low-level of worker knowledge on legal labor rights and contracting conditions, means that most workplace violations go unreported and unaddressed.

BUCCEP worked with federations and trade unions (in the export industries of agriculture, mining, and textile-apparel). Direct beneficiaries included leaders in the National Federation of Textile and Apparel Workers of Peru (FNTTP), the National Federation of Agroindustry Workers (FENTAGRO), and the National Federation of Metalworkers and Steelworkers of Peru (FNTMMSP). The project also collaborated with the General Confederation of Peruvian Workers (CGTP).

The long-term objective (LTO) was to build the capacity of worker organizations to effectively engage with workers, employers, and government to address abusive short-term employment contracts and illegal subcontracting. Two MTOs exist: (MTO 1) Improved education of workers regarding their rights on short-term contracts and subcontracting; and (MTO 2) Improved representation of workers before employers and the government to address abusive short-term employment contracts and unlawful subcontracting. Under the MTOs, the project had five short-term objectives (STOs), which are further discussed in Section 3.1.2.

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<sup>10</sup> O'Brien, Dan and Ena Lilian Nuñez. "Independent Midterm Evaluation of *Building the Capacity of Trade Unions to Combat Precarious Employment in Peru*." U.S. Department of Labor: April 2017.

## 2. EVALUATION OBJECTIVES AND METHODOLOGY

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### 2.1 Evaluation Purpose

USDOL/ILAB contracted IMPAQ International, LLC, to conduct a multi-project, final evaluation of the PLIP and BUCCPEP projects. The purpose of the summative evaluation is to provide USDOL with an accounting of the performance and achievements of the PLIP and BUCCPEP projects. The results of this evaluation can be used to guide future programming efforts aimed at increasing capacity of labor inspectorates and unions and, in turn, improving labor conditions and relations. Five questions guided research across both projects:

1. To what extent has the project achieved its theory of change?
2. Did the project cause additional or unintended effects?
3. What were the key factors that facilitated and limited results achievement?
4. What is the likelihood project activities and results will continue absent USDOL resources?
5. What are the lessons learned, promising practices, and emerging trends?

### 2.2 Methodology

A mixed-method approach was used for primary data collection. Secondary data, from project documents and reports, were also obtained and reviewed. Data from both sources were analyzed and triangulated to bolster the credibility and validity of evaluation findings, conclusions, and recommendations. The evaluation methodology was framed as described below.

**Evaluation Schedule and Geographic Scope.** The effort was conducted between March and May 2019. In March 2019, the evaluation design was solidified and document review commenced. Fieldwork took place in the cities of Lima and Ica from April 4 through 17, 2019. And data analysis and writing occurred between April 22 and May 27, 2019.

**Data Collection.** Given the Terms of Reference, the evaluation prioritized five questions that guided the design of data-collection instruments. The team utilized the methods listed below to collect and review data.

- **Project Document Review.** The evaluation examined proposals, Technical Progress Reports (TPRs), work plans, evaluation reports, and Performance Monitoring Plans (PMPs).
- **Key Informant Interviews (KIIs).** Interviews were conducted with diverse stakeholders: implementing partners (IPs), the GoP, trade federations, employers' associations, NGOs, ILO, and USDOL.
- **Focus Group Discussions (FGDs).** The team conducted four FGDs, one each with inspectors in Lima and Ica, one with FNTTP (textile workers association) in Lima, and one with FENTAGRO (agricultural workers association) in Ica.
- **Rapid Scorecards.** Distributed to all FGD informants, the Rapid Scorecard comprised three questions on capacity (respondent's professional capacity, organizational capacity, and lasting positive change). Response rate was high as completion was requested directly after FGD events.

- **Stakeholders Workshop.** Presentation of preliminary findings for both projects occurred on April 16, 2019.
- **Post-Evaluation Debriefing.** Post fieldwork, preliminary findings and recommendations were provided virtually to a team of USDOL staff for reactions and recommendations.

## 2.3 Sample

The evaluation sampling was purposeful and non-random, whereby project implementers and USDOL identified and scheduled informants. Table 1 reveals the evaluation sample size for both projects, whose informants were selected from: IPs, union federations, GoP, ILO, and USDOL.

**Table 1. Total Evaluation Sample**

Informant Orgs.	PLIP				BUCCEP					Grand Total
	IP	SUNAFIL & MTPE	Labor Inspectors	Total	IP	SUNAFIL, PUCP, SNI*	Federation	Trade Union	Total	
Lima	8	13	8	27	4	4	10	9	26	<b>53</b>
Ica		1	7	8				7	7	<b>15</b>
Total	8	14	15	<b>35</b>	4	4	10	16	<b>34</b>	<b>69</b>

\*PUCP = Pontificia Universidad Católica de Perú (Pontifical Catholic University of Peru); SNI = National Society of Manufacturers

The evaluation reached 35 PLIP and 34 BUCCEP informants over 10 days. Forty-nine (49) percent of informants were GoP employees; 38 percent were from workers' associations; and 13 percent were implementing partners. Beyond the 69 informants enumerated in Table 1, interviews were also conducted with two senior staff from the National Society of Industries (textile industry–employers' association), ILO, and USDOL. Thus, the total sample is **75 informants** (40 percent female and 60 percent male).

## 2.4 Data Analysis

Analysis was iterative across the evaluation; however, analysis began in earnest in preparation for the Stakeholder Workshops held on April 17, 2019. For this event, the team began analyzing the data collected to offer preliminary findings to the convened groups for reactions and recommendations. Data were then further cleaned and organized in an Excel matrix for each USDOL question. This allowed for content and frequency analyses and facilitated triangulation of data from primary and secondary sources. Quantitative data from Rapid Scorecard responses were also placed into an Excel document, where the mean, median, and mode for each question were obtained.

## 2.5 Limitations

This evaluation had a number of limitations that warrant acknowledgement.

- **Sample.** Sample selection was conducted by the primary implementers, PLADES and SC, an approach potentially leaving the sample open to sampling bias risks. Also, because the evaluation encompassed two projects, this limited sample sizes for both.
- **Time and Geographic Scope.** There was limited time available to collect data across two projects, which also prevented a larger sample size and broader geographic reach.

- **Retroactive Approach for BUCCEP Informants.** The BUCCEP project ended in December of 2017, more than a year prior to this evaluation. Some key project stakeholders were unable to be contacted, and those that were may have experienced challenges with recall or with the retroactive approach of “thinking back.”
- **Attribution.** As this is a performance evaluation, attributing changes in beneficiaries as a unique result of PLIP or BUCCEP is not possible. Data gleaned will serve as the body of evidence that leads to a project-performance assessment—not to measure impact. Accuracy of this analysis is predicated on the integrity of the primary and secondary information provided.

### 3. FINDINGS

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The findings address the evaluation's five key questions listed in the TOR, which are grounded in USDOL evaluation criteria: Relevance, Efficiency, Effectiveness, Impact, and Sustainability. For each project, findings will be presented by evaluation question. To best identify the level or extent of progress made, a scale will be used for Questions 1 (results achievement) and 4 (sustainability). The scale is comprised of the following points: *low, moderate, above-moderate, or high*.

#### 3.1 Question 1. To what extent has the project achieved its theory of change?

This section reviews achievements against each project's theory of change. Performance Monitoring Plans and Technical Progress Reports were key (not unique) sources for Question 1 findings. PLIP findings are presented in Section 3.1.1 and BUCCPEP findings in Section 3.1.2.

##### 3.1.1 Building the Capacity of the Peruvian Labor Inspectorate

The results anticipated in PLIP's theory of change include: a development objective (DO), three immediate objectives (IOs), seven sub-immediate objectives (SIOs), and 14 outputs. As further described below and in the conclusion, three factors affected PLIP's results achievement. First, its theory of change and corresponding results are largely unattainable given the level of USDOL investment and Peru's complex LIS (labor inspection system) context. Second, results and indicators were modified in the second project year at the recommendation of the mid-term evaluation.<sup>11</sup> And third, the preceding caused performance-management challenges, which limited baselines and targets, data collection and quality, results achievement, and strategic use of the PMP.<sup>12</sup>

**DO:** *Improve the effectiveness of Peru's labor inspection system*

**Background.** In 2013 the GoP and CSOs met to discuss a Catholic University study on regional governments' performance in Peru's LIS.<sup>13</sup> The study's thesis was that the current decentralized system had insufficient operational capacity and resources to implement and monitor the significant number of laws (40+) and regulations that comprise Peru's labor inspection regime. SUNAFIL was created soon thereafter under the MTPE and began its work in earnest in April 2014. SUNAFIL's mandate, under the LIS, is to conduct policy research, technical assistance, and labor inspections. Based in Lima, it is operationalized through 25 planned regional branches (intendencias) and 900 projected inspectors. Peru's new LIS aims to rectify issues with the former entity, which was plagued by lengthy processes, deficient management systems (e.g., information, operations, staff, monitoring), incomplete information, weak sanctioning procedures, low human capacity, and inadequate financial and human resources. Today, the demand for labor inspections continues to overwhelm supply.

**DO Findings.** The level of DO achievement **cannot be assessed**. No indicators were assigned, rendering any change unmeasurable. Also, the evaluation considers the DO result statement too

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<sup>11</sup> O'Brien, Dan and Ena Lilian Nuñez. "Independent Midterm Evaluation of *Strengthening the Institutional Capacity of the Peruvian Labor Inspection System Project*." USDOL: September 2017, pp. 10–14.

<sup>12</sup> PMP referred to for PLIP summative evaluation is the final version submitted to USDOL by PLIP, 4/30/19.

<sup>13</sup> Requejo Alemán, Juan Carlos, "Thesis: Strengthening the Labor Inspection System in Peru." Pontificia Universidad Católica de Perú, Lima, 2013.

high for PLIP's available resources and time. While the project was likely aiming to contribute to the effectiveness of the LIS, the extent to which it has done so cannot be affirmed.

**IO 1: Enhance SUNAFIL's institutional capacity to decentralize operations / facilities and improve the management of inspections.**

**Background.** SUNAFIL's creation marked a swing from a decentralized to a centralized inspection system. There is GoP political will for the agency, as demonstrated by five years of growth: 620 current inspectors and 16 regional intendency offices. Still, there were limitations to IO 1 implementation. First, seven SUNAFIL superintendents and numerous regional intendents changed, with each transition requiring communication and buy-in. Second, resources to Lima headquarters and regional intendencies do not meet needs. And third, SUNAFIL is a relatively new organization whose systems, protocols, and processes continue to evolve.

**IO 1 Findings.** Table 2 presents IO 1 achievements.

**Table 2. IO 1 Achievements per the PMP**

Indicator / Output	PMP – Total Achievement	Evaluation Observations
<b>IO 1 Enhance SUNAFIL's institutional capacity to decentralize operations/facilities and improve the management of inspections</b>		
# of zonal offices implemented (Loreto and Ica)	0	Project stopped activities for this indicator after mid-term evaluation.
# of Inspectors that use management tools and information management system to improve inspections	373	Evaluation could not verify monitoring data (i.e., collection and verification that 373 inspectors in ICA and Loreto have "used" tools).
<b>SIO 1.1 Regional intendancies establish zonal offices and clear the backlog of cases to update SIIT</b>		
# of management improvement actions	7	Per PMP, actions include: workload distribution methodology; SIIT reporting templates; digitization for inspection orders, infraction reports, and first- and second-instance resolutions; and conducting legal analysis of inspection orders pending closure for 2016 and 2017.
# of agreements to implement zonal offices in Ica and Loreto	---	Project stopped activities for this indicator after mid-term evaluation.
Output 1.1.1 Mapping of public institutions willing to host zone offices in Ica and Loreto	1	2017 institutional mapping in Loreto.
Output 1.1.2 Agreements signed with public institutions where zone offices established	---	Project stopped activities for this indicator after mid-term evaluation.
Output 1.1.3 Facilities implemented to clear backlog of pending cases, digitalize reports/files to be entered in SIIT	4	Per PMP, <b>Loreto:</b> (2014–16) 476 inspection orders digitalized; (2015) 204 inspection files digitalized; and, (2014–16) 282 inspection files reviewed and closed. <b>Ica:</b> (2014–16) 1,987 inspection files digitalized; 171 inspection files reviewed and closed. Evaluation is unclear what PMP total of '4' represents.
<b>SIO 1.2 Labor inspectors use the redesigned SIIT to increase the effectiveness and efficiency of inspections</b>		
# of inspectors that use SIIT to improve inspections	373	Evaluation could not verify monitoring data (i.e., collection and verification that 373 inspectors in Ica and Loreto use SIIT to improve inspections). The term 'use' is not well defined.
Output 1.2.1 Information needs assessment of SIIT conducted and recommendations registered	1	Per PMP, one diagnosis was developed in 2016.
Output 1.2.2 Recommended changes to SIIT completed	1	Per PMP, re-design of SIIT fields were recommended in 2016.

Indicator / Output	PMP – Total Achievement	Evaluation Observations
# of new functionalities incorporated into the current SIIT structure	13	Per PMP, (2017) 11 SIIT functionality improvements approved by the National Intendant for Intelligence (Intendente Nacional de Inteligencia or INII). (2018) design and integration of Infraction and Report Act Format into SIIT.
Output 1.2.3 National inspection policy and plans formulated	---	See indicator below.
# of national inspection policy and plans established in collaboration with MTPE/DGPIT	2	Per PMP, conceptualized and developed the National and Sectoral Labor Inspection Plan. Supported study “Strengthening LIS in mining, textile and agriculture sectors”.
<b>SIO 1.3 SUNAFIL implements the inspection distribution methodology and SIAN</b>		
# of management tools and systems to better access to information designed and implemented.	2	No qualitative information in PMP. Evaluation could not verify PLIP’s data for this indicator.
Output 1.3.1 Labor inspector workload distribution methodology developed	1	Per PMP, technical assistance occurred for workload methodology in 2016 and 2018. Methodological challenges with model are restricting acceptance. Workload method is seen as subset to above indicator.
Output 1.3.2 National Articulated Information System (SIAN) is developed and functioning providing access to SUNAFIL	1	Per PMP, a 2017 report was produced on potential sources of information for SIAN. Final 2019 TPR cites problems with this output and the fact that PLIP did not carry out any further activities. A report is not seen by evaluation as adequately populating this indicator.
# of arrangements with public and private organizations to access information to improve labor inspection	15	Evaluation could not verify monitoring data for this indicator. It was understood by the evaluation that any existing arrangements were facilitated by SUNAFIL alone. PLIP did produce an initial assessment of INII’s information needs, which generally guided its internal processes and partnerships.

The level of IO 1 achievement is evaluated as **moderate**. While the project was able to facilitate a level of progress to enhance SUNAFIL’s institutional capacity, overall it was unable to achieve a deeper effect across IO 1 and its corresponding SIOs and outputs.

For IO 1, PLIP achieved limited indicator progress, and the extent to which inspectors are using management tools is not well understood by the project. For SIO 1.1, there were improvements to SIIT reporting templates and fields (i.e., data units), a workload methodology to better distribute cases among inspectors, inspection standards and criteria, and the digitalization of inspection reports. For SIO 1.2, the extent to which inspectors are using SIIT is not well understood by the project. PLIP led a well-received effort to analyze inspection data (called data mining). For SIO 1.3, there was no progress on the National Articulated Information System (SIAN) as a system aiming to better integrate internal (i.e., inspector-driven data) and external (i.e., enterprise or sector data) information into SIIT. As described in the mid-term evaluation, the SIAN concept is beyond the cost realities of SUNAFIL and PLIP.

A small sample of inspectors in Lima and Ica took the evaluation’s Rapid Scorecard survey, which asked how well PLIP strengthened SUNAFIL. Table 3 summarizes responses in both cities.

**Table 3. Inspector Responses: How well has project strengthened SUNAFIL?**

City	Inspectors’ Sample (n)	Mean rating (1-low → 5 high)	Select Responses
Lima	8	3.1	“The project has strengthened the capacity of Inspectors” “SUNAFIL has not changed substantially”

City	Inspectors' Sample (n)	Mean rating (1-low → 5 high)	Select Responses
Ica	7	3.3	"SUNAFIL is the same"

Lastly, the creation of PNSIT, the National and Sectoral Labor Inspection Plan, is considered an important achievement. PLIP partnered with the MTPE's National Directorate for Labor Inspection Policy (Dirección General de la Política de Inspección del Trabajo or DGPIT) to conceptualize and draft the plan. It has informed MTPE's *National Policy on Competition and Production*, the fifth objective of which aims to improve Peru's inspection regime.

**IO 2: Enhance the capacity of inspectors to conduct more effective and efficient inspections.**

**Background.** In 2015, SUNAFIL's Training Center (Centro de Formación or CFC) was established by a GoP resolution and has the mandate to strengthen the LIS by building the capacity of SUNAFIL staff and other key stakeholders. CFC, however, is not formally part of SUNAFIL as per its official organizational structure and has only two full-time staff. Over four years, PLIP has played a crucial technical and financial role in CFC's establishment and growth.

**IO2 Findings.** Table 4 presents IO 2 achievements.

**Table 4. IO 2 Achievements per the PMP**

Indicator	PMP – Total Achievement	Evaluation Observations
<b>IO 2 Enhance the capacity of inspectors to conduct more effective and efficient inspections and of sanctioning staff to conduct more effective reviews of infraction acts</b>		
# of infraction reports or inspection reports filed by each inspector, and # of infraction acts filed by each sanctioning staff (time and subject criteria).	80	Per PMP, in 2019, 80 participants affirmed improved skills to fill out inspection reports and identify infractions. While important, the evaluation considers trainees citing improved skills as an inadequate proxy for indicator. Evaluation notes indicator design weakness as two indicators attempting to exist as one.
<b>SIO 2.1 Inspector-trainers conduct training or deliver courses using the virtual classroom platform</b>		
# of inspectors delivering in-house courses using the platform	51	Inspector-trainers delivered a moderate number of courses across the project. Courses peaked in 2016 (29 total) and fell off significantly in the next years, with four total delivered in 2018.
Output 2.1.1 Virtual classroom platform developed and functioning	1	Per PMP, virtual classroom developed and trainings delivered (in-person, virtual, and blended) to 549 total SUNAFIL staff.
Output 2.1.2 Inspectors trained as instructors or facilitators	59	Per PMP, 59 completed Training of Trainers (TOT) course and passed final exam.
# of inspectors trained as instructors	---	See output indicator directly above (2.1.2).
# of courses delivered and certified	2	Per PMP, two courses delivered and certified in first year of project (2016). Nothing further realized.
<b>SIO 2.2 Labor inspectors and sanctioning staff apply new skills during inspections and review of the inspection acts</b>		
Improvement in the competency levels of inspectors and sanctioning staff trained	14	Per PMP, 14 training reports developed. Evaluation questions data source as sole justification on achievement of this indicator.
Output 2.2.1 Number of inspectors and sanctioning staff trained	---	Change recommended by mid-term evaluation to indicator directly below.
# of inspectors and of sanctioning staff trained	724	Per PMP, the project currently has trained 724. Of this total, 211 were trained more than once.
# and quality of modules structured	15	No further qualitative information offered by the PMP.

Indicator	PMP – Total Achievement	Evaluation Observations
# of courses, workshops, and seminars delivered	15	No further qualitative information offered by the PMP.
<b>SIO 2.3 Government entities and social partners sensitized about the labor inspection, and willing to coordinate with SUNAFIL</b>		
# of people and public institutions and sensitized private institutions about the LIS	4	Per PMP, employees and workers from four sectors (agro-export, fishing, textile, and mining) have been sensitized.

The level of IO 2 achievement is evaluated as **above-moderate**. As specified in the mid-term evaluation, over one-half of PLIP’s total resources were allocated to IO 2 at 54 percent.<sup>14</sup> Accordingly, and considering available project time and resources, PLIP facilitated a good level of progress across IO 2 and its SIOs and outputs, particularly in SIO 2.1.

For SIO 2.1 indicators, the extent to which inspector training resulted in more effective and efficient inspections cannot be evaluated. PLIP did not have adequate instruments or processes to measure the lone indicator. It did, however, make a diligent effort to measure inspector performance via pre- and post-training surveys to a sample of course participants and supervisors, whose results showed positive gains.<sup>15</sup> Still, the evaluation sees methodological weaknesses in this study that affect reliability of and confidence in results.<sup>16</sup>

The project also made solid contributions in terms of training infrastructure (i.e., a highly functional virtual classroom), course design, annual training plans, and training evaluation approaches. Across four years, the project supported the delivery of 14 courses that trained 549 total participants (58% males; 42% females). Table 5 shows the evaluation’s Rapid Scorecard responses for a small sample of PLIP-trained inspectors in Lima and Ica for: (i) how well the project built their professional capacity; and (ii) new knowledge, skills, or awareness (KSAs).

**Table 5. Inspector Responses: How well has the project built your capacity?**

City	Inspectors’ Sample (n)	Mean rating of how well project built your capacity (1-low → 5 high)	How well has project built your capacity?	New KSAs as a result of PLIP?
Lima	8	4.1	<i>“Improved knowledge and application in our work”</i> <i>“Execution of our work is more efficient”</i>	Training of trainers; labor inspection in Peru; resolutions; freedom of association; argumentation and legal writing; analyzing rules
Ica	7	3.8	<i>“Increased awareness on inspection reports and acts”</i> <i>“Broad knowledge of labor issues”</i> <i>“Apply knowledge in fines”</i>	Labor issues; correct use of SIIT; OSH; identify company infractions; resolution of cases

For SIO 2.2, there were measurement challenges, and the evaluation could not verify PMP data accuracy or quality. While CFC-driven training has achieved an increase in KSAs, the level and extent of application cannot be confirmed beyond anecdotal evidence. For SIO 2.3, there was not

<sup>14</sup> O’Brien, Dan and Ena Lilian Nuñez, “Independent Midterm Evaluation of *Strengthening the Institutional Capacity of the Peruvian Labor Inspection System Project Project*.” USDOL, September 2017, pp. 32–34.

<sup>15</sup> PLADES, Evaluación del impacto de las acciones de capacitación realizadas durante el proyecto SUNAFIL-USDOL. March 2019, pp. 23–28.

<sup>16</sup> Weaknesses: statistically insignificant sample size of training participants (80 of 574 total) and supervisors; low response rates; self-assessment bias in training participants; and attribution challenges across 11 different courses.

the necessary level of consensus within SUNAFIL’s National Institute for Prevention and Assessment (Instituto Nacional de Prevención y Asesoría or INPA) to achieve this result; BUCCPEP was also conducting similar activities. Thus, the mid-term evaluation recommended that work on it be stopped.

**IO 3: Improve labor inspection specifically in the areas of subcontracting, temporary agreements, fundamental rights, and safety and occupational health**

**Background.** According to PLADES, IO 3 was the essence of the project; however, the project also noted that political will behind it was lacking. That is, the GoP did not share

“The vision of SUNAFIL is on the National Intendant for Intelligence (INII), not on the inspectors.”  
-PLIP Informant, Lima

PLIP’s priority of reducing short-term contracting and outsourcing. Two rationales can begin to explain this. First, this issue is politically sensitive, as it is linked to employers and touted by them as keys to competitiveness, profit, and productivity. Second, the current MTPE priority is the “formalization” of labor in an effort to reduce Peru’s informal labor sector. MTPE informants echoed this priority and highlighted that from January to April 2019, 60,000 workers have become formally employed.<sup>17</sup> According to project implementer informants, this has limited the effectiveness of LIS, constricted the focus on labor-inspection quality, and diluted the labor inspectors’ mandate to protect workers’ rights as per Peruvian laws.

**IO 3 Findings.** Table 6 presents IO 3 achievements.

**Table 6. IO 3 Achievements per the PMP**

Indicator	PMP – Total Achievement	Evaluation Observations
<b>IO 3 Improve labor inspection specifically in the areas of subcontracting, temporary agreements, fundamental rights, and safety and occupational health</b>		
# of cases of violations of labor legislation identified, corrected, or sanctioned in priority areas and sectors	---	Per PMP, according to SUNAFIL-gleaned data, in 2016–17 there were 5,935 case violations identified and 6,290 cases sanctions. Evaluation notes three data issues: (1) it only covers 2016 and 2017; (2) violations sanctioned are greater than those identified; and (3) numbers cannot be attributed to PLIP.
<b>SIO 3.1 SUNAFIL intendants in Loreto and Ica use the sector assessment to plan and conduct strategic inspections</b>		
# of operational inspection planning in the two regions (Ica and Loreto) that incorporates key information from the regional assessments	---	No inspection planning efforts occurred across the project.
Output 3.1.1 Assessment of labor issues in selected sectors.	---	See indicator below.
# of assessments of labor issues delivered to the regional intendants of Ica and Loreto	<b>3</b>	Per PMP, two studies in 2017 on temporary contracts violations in agro-exports in Loreto and Ica. Also one in 2018 on effectiveness and efficiency of labor inspections in Lima’s textile sector.
<b>SIO 3.2 New criteria and protocols are applied to labor inspections to increase consistency and accuracy</b>		
# of protocols, forms, and guidelines approved and implemented	<b>35</b>	Per PMP and TPR, in 2016, four elements developed: General Rules of Inspection Process; Protocol for Inspection of Short-Term Contracts; Protocol for Inspection of Non-Traditional Export Contracts; and Directive for Inspection of Freedom of Association. In 2019, Protocol

<sup>17</sup> Formalization of workers signifies that they have a contract (it can be short-term), are eligible for benefits, and are registered with MTPE via the *planilla electronica* (electronic form), which is further described under Question 3 findings.

Indicator	PMP – Total Achievement	Evaluation Observations
		for Inspection of Social-labor Standards in Civil Construction Sector presented to SUNAFIL.
Output 3.2.1 Studies with recommendations to standardize and improve the inspective action	---	See indicator directly below.
# of corporate documents that recommend standardizing inspection process to optimize results	1	Per PMP, 2017 presented Act of Annulation Study (2 resolutions issued that harmonize 6 criteria).
Output 3.2.2 Protocols and forms designed and/or re-designed and delivered to SUNAFIL	---	See indicator directly below.
# of protocols and forms designed and/or re-designed and delivered to SUNAFIL	65	Per PMP, six developed: General Rules of the Inspection Process; Protocol of Inspection of Short-Term Contracts; Protocol of Inspectorate for Non-Traditional Export Contracts; Directive for Inspection of Freedom of Association; Protocol of Freedom of Association (update); and Protocol for the Inspection of Social-labor Standards in the Civil Construction Sector. Evaluation does not consider an update as a unique protocol to be counted.
Output 3.2.3 Strategic inspections conducted	----	See indicator directly below.
# of operatives conducted with accompaniment by experts	4	2 operations accompanied in Loreto in 2016 and 2 in Ica in 2017.

The level of IO 3 achievement is evaluated as **low**. While PLIP has made an effort to advance, Peru’s LIS context has prevented further achievement of IO 3 and its SIOs.

In the first years of the project, PLIP attempted to build the body of evidence of short-term contract use in Loreto and Ica, as well as uncovering the efficiency and effectiveness of inspection processes. There were also a number of protocols established to guide inspections in the export industry. Yet according PLIP informants, these outputs were not considered to be of high value, and there was no SUNAFIL follow-up. Thus, after the mid-term evaluation, project informants noted that PLADES refocused IO 3 efforts to IO 1 and IO 2.

### 3.1.2 Building Union Capacity to Reduce Precarious Employment in Peru

The results anticipated in BUCCPEP’s theory of change include: a long-term objective (LTO), medium-term objectives (MTOs), short-term objectives (STOs), and 13 outputs.<sup>18</sup> As further described below and in the conclusion, three factors affected BUCCPEP’s results achievement. First, its theory of change and corresponding results are largely unattainable, given the level of USDOL investment and Peru’s complex labor context. Second, results and indicators were modified in the first of two project years at the recommendation of the mid-term evaluation.<sup>19</sup> And third, the preceding caused performance-management challenges, which limited baseline

<sup>18</sup> While PLIP uses the terms Development Objective (DO), Immediate Objective (IOs), and Sub-Immediate Objective (SIOs), these are equivalent to BUCCPEP’s Long-Term Objective (LTO), Medium-Term Objective (MTO), and Short-Term Objective (STO).

<sup>19</sup> O’Brien, Dan and Ena Lilian Nuñez. “Independent Midterm Evaluation of *Building the Capacity of Trade Unions to Combat Precarious Employment in Peru*.” USDOL, April 2017, pp. 44–45.

studies, target-setting, data collection and quality, results achievement, and strategic use of the PMP.<sup>20</sup>

**LTO: Constituents, employers, and government address abusive short-term employment contracts and unlawful subcontracting<sup>21</sup>**

**Background.** As discussed, Peruvian legislation continues to permit temporary or indirect contracting through a variety of forms. And export-industry employers maximize use of these contracting arrangements as they believe them responsible for increased production and competitiveness. Given this context, workers and unions have had to address these arrangements as a minority in tripartite social dialogue (workers, employers, government) over the project’s two years.

**LTO Findings.** Table 7 presents LTO achievements.

**Table 7. LTO Achievements per the PMP**

Indicator / Output	PMP – Total Achievement	Evaluation Observations
<b>LTO: Constituents, employees, and government address abusive short-term employment contracts and unlawful subcontracting</b>		
Non-traditional export law is reformed to protect short-term contract workers	<b>Partial Advancement</b>	Per final TPR, GoP approved bill 1082 in June 2017. It modifies decree 1246, which reinstates requirement that all employers register employee labor contracts with MTPE. However, the Non-Traditional Export Law (Law 22342) is unmodified and allows employers to re-hire the same workers repeatedly and without duration limit.
# of test cases where short-term or outsourced workers are remedied	<b>15</b>	Per final TPR, 15 test cases enabled direct improvement of working conditions, benefits, or reinstatement of: 27 workers in the textile sector; ~100 workers in the agricultural sector; and ~125 in the mining sector.
Outsourcing law is reformed to protect subcontracted workers	<b>No</b>	Low GoP political will limited progress on reforming this law (Law 29245).

Given available time and resources, LTO achievement is evaluated as **moderate**. For LTO indicators focusing on the Non-Traditional Export Law (Law 22342) and Outsourcing Law (Law 29245), no reforms were achieved. While the final TPR cited a level of progress in the modification of Law 1246 (see above), the evaluation was informed that BUCCPEP’s contribution to facilitating the change was indirect.

Of importance, however, are 15 test cases that supported improvement of labor conditions for 240 workers in the three sectors. Unions were supported to engage in social dialogue for worker reinstatement and improve labor conditions and pay. The project also provided financial support for a lawyer for FNTMMSP (metal and steel workers association) and SUNAFIL to defend a judicial claim (called *amparo*) filed by a mining company against an MPTE administrative decision to uphold findings from a 2017 SUNAFIL inspection. That inspection found that 1,641 workers were employed by the company via illegal, outsourced contracts. After two rounds of appeals and decisions in a tribunal court, both of which denied the company’s petition for protection, the case is nearing the end of its legal appeal process. Although a final ruling has not been made, if the

<sup>20</sup> PMP referred to for BUCCPEP summative evaluation is the final version submitted to USDOL by BUCCPEP, February 2018.

<sup>21</sup> This results statement is consistent with the LTO that was assessed during the midterm evaluation and was present in the final PMP submitted to USDOL by BUCCPEP in February 2018.

petition is denied, it will allow SUNAFIL to proceed with legal and administrative actions on original findings.

**MTO 1: Improved education of workers regarding their rights with respect to short-term contracts and subcontracting**

**Background.** In Peru’s export industry, workers typically have a limited understanding of their labor rights and limited capacity to act on them. Union members are also generally socioeconomically marginalized; this is notably the case for women in the agro-export sector who are, in some cases, also illiterate. MTO 1 sought to create a cadre of “union promoters” through a Training of Trainers (TOT) program, in order for them to amplify awareness of affiliated and non-affiliated members, mobilize union membership, and recognize and report abusive contracting arrangements. Yet one major hurdle was that union leaders had to obtain “permission” from employers to participate in TOTs delivered on weekdays. Given these complex individual realities, coupled with Peru’s current context, the responsibility laid upon these promoters is considered to be particularly intense and significant.

**MTO 1 Findings.**

Table 8 presents MTO 1 achievements.

**Table 8. MTO 1 Achievements per the PMP**

Indicator	PMP – Total Achievement	Evaluation Observations
<b>MTO 1 Improved education of workers regarding their rights with respect to short-term contracts and subcontracting</b>		
# of plans that improve the management and prioritization of actions and resources to reach affected workers	3	Per PMP, three outreach plans have been developed. However, the extent of their relevance and use cannot be confirmed by the evaluation.
# of union promoters who demonstrate improved training capacity	358	Per PMP, 358 promoters have been trained. Yet evaluation does not consider this a sufficient proxy for improved capacity to train.
% of participants who report satisfaction with workshops	81%	Per final TPR, 81% of participants demonstrated improvement in knowledge of labor rights and ability to communicate such according to pre/post-tests during the first six-month period and at project end. Evaluation notes that knowledge is at a higher level than satisfaction and is therefore not an adequate proxy.
# of workers who undertake defensive actions	69	Per final TPR, in three sectors, 69 workers took 154 actions in: collective bargaining, judicial actions, and labor inspections. Indicator different on PMP and TPR. Per mid-term evaluation, pre/post-testing cited as problematic and not used for textile sector.
# of instances where non-union workers contact unions, NGOs, or GoP to address rights as a result of radio programs or training	535	Per final TPR, non-unionized workers contacted partner unions and federations due to training and outreach materials. Contacts made through Facebook, telephone, and in-person consultations.
<b>ISTO 1.1 Worker organizations conduct more effective educational workshops and subcontracted workers outreach</b>		
Output 1.1.1 regional maps produced by the project with the participation of partner unions	3	Per final TPR, three sector maps were produced by PLADES and validated by union partners for worker education and outreach. Yet these were reports produced by PLADES under IO 3. The evaluation did not see strong evidence of the use of these maps.
Output 1.1.2 baseline studies produced	3	As per mid-term evaluation, rather than rigorous baseline studies, BUCCPEP completed qualitative assessments

Indicator	PMP – Total Achievement	Evaluation Observations
		based on focus group discussions with workers. Reports include information on worker profiles, childcare, as well as perceptions about work and unions. The project produced 1 qualitative assessment per sector.
Output 1.1.3 union promoters trained	358	358 promoters trained, including 72 women. Of total trained: 62 mining; 127 agro-export; 118 textile and apparel. Similar to mid-term evaluation, final evaluation has quality concerns regarding training attendance and certification. Final evaluation notes that disaggregated sums do not total 358.
<b>ISTO 1.2 Workers in non-traditional export sectors know their rights and the enforcement mechanism available to address abusive short-term contracts and unlawful subcontracting</b>		
Output 1.2.1 training modules conducted	14	Final TPR states 5 modules have been produced and delivered in 17 workshops. Final PMP has final number at 14 'implemented'.
Output 1.2.2 handouts produced	10	Per final TPR, 10 handouts include: 3 editions of <i>Textile Defense</i> newsletter; 3 labor-rights information sheets; 3 short term–contracts information sheets; and 1 labor rights and collective bargaining information sheet for mine workers.
Output 1.2.3 unionized workers trained	653	Per final TPR and PMP, 39 trade union promoters conducted 18 workshops for 653 of their peers (154 women). In 9 of 18 workshops, workers participated in more than one training session of the three-part series. At mid-term evaluation, no trainings had been replicated, meaning total was achieved from April to December 2017.
Output 1.2.4 educational materials distributed during Open Tent presentations	33,370	Per final TPR, promoters distributed 33,370 educational materials (e.g., newsletters and pamphlets) during worker assemblies, in front of workplaces, and in Open Tent presentations. Similar to mid-term evaluation, final evaluation could not verify data accuracy.
Output 1.2.5 workers reached during informational talks	1,744	1,744 workers (334 women) reached during informational talks, which include: 596 mineworkers (29 women); 758 textile workers (211 women); and 390 agro-export workers (94 women).

For time and resources available, MTO 1 achievement is evaluated as **above-moderate**. Across two years, the project attained solid output numbers, particularly with respect to unions taking action (MTO 1); promoters trained (STO 1.1); and unionized workers trained, materials distributed, and workers reached (STO 1.2).

A majority of trained union-member informants emphasized professional growth and increased knowledge as a result of the training. Table 9 shows the evaluation’s Rapid Scorecard responses for a small sample of union members in Lima (textile) and Ica (agro-export) for: (i) how well project built the capacity of union promoters; and (ii) resulting KSAs developed.

**Table 9. Union Member Responses: How well has the project built your professional capacity?**

City	Union Member Sample (n)	Mean rating of how well project built your capacity (1-low → 5 high)	How well has project built your Capacity?	New KSAs as a result of BUCCPEP?
Lima	10	4.6	<i>“I understand laws and rules and can defend them.”</i>	Leadership; organize workers; workers’ rights and how to defend them; freedom of association and collective bargaining; strategies for

City	Union Member Sample (n)	Mean rating of how well project built your capacity (1-low → 5 high)	How well has project built your Capacity?	New KSAs as a result of BUCCPEP?
Ica	7	4.0	<p><i>"I know my rights and can help colleagues with work problems."</i></p> <p><i>My performance at union meetings improved."</i></p> <p><i>"More communication with other unions."</i></p> <p><i>"Something has been achieved for the workers."</i></p>	<p>communication and press; labor inspection; record-keeping; laws on temporary contracts; got a trade union position.</p> <p>Information on abusive companies; workers' rights and how to defend them; labor laws; interacting with other unions; better organized unions.</p>

While BUCCPEP achieved a solid number of MTO 1 outputs, indicator information did not robustly capture quality and use. With respect to quality, the mid-term evaluation initially noted a number of weaknesses with the TOT certification program and the replication of the trainings.<sup>22</sup> However, according to Solidarity Center informants, this prompted a number of improvements that included, pre- and post-testing with a majority of TOT participants and evaluating promoter performance in their delivery of replication trainings. In regard to use, the evaluation did note some limitations with select outputs. For example, trade union informants interviewed did not affirm the utility of management plans or regional maps to guide actions during or after the project.

**MTO 2: Improved representation of workers before employers and the government to address abusive short-term employment contracts and unlawful subcontracting**

**Background.** Peru does not yet have a strong culture of social dialogue among tripartite stakeholders to remediate unfair treatment or abuse of workers in the export sectors. While federations are more organizationally sophisticated, unions generally have limited capacity to identify illegal contracts or workplace violations, file for inspections, or represent workers. Adding to this is Peru's context, which has no general labor code, low GoP will to address abusive contracts, and employers who maintain use of short-term contracting arrangements. As the export sector employs millions of Peruvian workers, many with these contract arrangements, the need for MTO 2 is significant.

**MTO 2 Findings.** Table 10 presents MTO 2 achievements.

**Table 10. MTO 2 Achievements per the PMP**

Indicator / Output	PMP – Total Achievement	Evaluation Observations
<b>MTO 2 Improved representation of workers before employers and the government to address abusive short-term employment contracts and unlawful subcontracting</b>		
# of unions that demonstrate improved capacity to perform administrative functions (i.e., conduct participatory worker assemblies according to rules, develop policies or measures to ensure inclusive leadership representation, and utilize mechanisms for internal accountability and oversight)	16	PMP cites 16 total unions; however, final TPR states that the indicator was eliminated was based on mid-term evaluation recommendation.

<sup>22</sup> O'Brien, Dan and Ena Lilian Nuñez. "Independent Midterm Evaluation of *Building the Capacity of Trade Unions to Combat Precarious Employment in Peru*." USDOL, April 2017, pp. 28–29.

Indicator / Output	PMP – Total Achievement	Evaluation Observations
# of new members affiliated	640	Final TPR cites this indicator was eliminated per mid-term evaluation. PMP cites 640 new members. Mid-term evaluation recommended eliminating this indicator. TPR did not report on it, but PMP continued to track. Yet no disaggregation by sector.
# of inspection requests submitted to SUNAFIL; # of inspection requests accepted by SUNAFIL	47	47 inspections were filed; 45 were approved. Per TPR, some of those approved were responses to requests filed prior to the project. Inspections filed: textile: 29; mining: 10; agro-export: 8. Evaluation notes that disaggregated sums do not total 47. Mid-term evaluation cited that SUNAFIL-identified union-filed requests are typically weak. Final evaluation notes indicator design weakness as two indicators attempting to exist as one.
# of instances where unions use data	53	Final TPR details unions' use of information to file test cases in 53 instances: textiles (15), agro-exports (15), and mining (23). Use of data could not be confirmed by either mid-term or final evaluations.
# of proposals presented for improved compliance with and enforcement of laws governing contracting arrangements	13	Per final TPR, 13 union proposals presented to strengthen regulation of temporary contracts and related fundamental labor rights. mining: 6 proposals; textiles: 5 proposals; agro-export: 2 proposals.
# of instances where unions' concerns are resolved via dialogue. Dialogues are inclusive of bipartite, tripartite, and dispute resolution supported by domestic and international ally organizations, such as global union federations, domestic and international NGOs	20	PMP cites 20 total resolutions; however, final TPR cites that this indicator was eliminated based on mid-term evaluation recommendation.
<b>ISTO 2.1 Worker organizations improve core representational functions for precarious workers</b>		
Output 2.1.1 union promoters and union officials trained on management and governance, organizing, and labor inspections.	158	Per final TPR, 158 workers (26 women) were trained on labor inspections from the three sectors.
<b>ISTO 2.2 Workers organizations improve ability to conduct analysis on potential violations of short-term contracts and sub-contracting</b>		
Output 2.2.1 unions utilize the system to track and monitor rights violations	9	Per final TPR, nine unions contributed their labor inspection cases to participate in a study using tracking tools (Excel) that measure the efficiency and efficacy of labor inspections as well as a scorecard to grade inspections on key criteria. In April 2018, the mid-term evaluation reported that this system was not yet developed.
<b>ISTO 2.3 Worker organizations engage in more effective dialogue with employers, MTPE, and other stakeholders</b>		
Output 2.3.1 proposals developed	----	Per PMP, the mid-term evaluation recommended eliminating OPT 2.3.1
Output 2.3.2 instances where participants report that the stakeholder dialogues lead to a timely resolution of union concerns	----	Per PMP, the mid-term evaluation recommended eliminating OPT 2.3.2

For time and resources available, MTO 2 achievement is evaluated as *moderate*. While numerous indicators were changed or omitted in the first year, the project still made a level of progress, particularly on the 53 test cases.

For these test cases, the project supported their filing across three sectors. These included supporting unions to: (i) involve global apparel brand corporate social responsibility (CSR) organizations and certification entities to gain greater leverage; (ii) mediate and reposition for separated workers; and (iii) prepare inspection requests.

Union informants interviewed by the evaluation had an overall positive impression of how well BUCCPEP strengthened union capacity. However, perceptions of their own growth (via project-training) were rated higher. Table 11 shows Rapid Scorecard responses for a small sample of federation members in Lima (FNTTP/textiles) and Ica (FENTAGRO/agricultural) for how well the project strengthened unions.

**Table 11. Union Member Responses: How well has project strengthened unions?**

City	Union Member Sample (n)	Mean rating (1-low → 5 high)	How well has project built your capacity?
Lima	10	4.4	<i>"It has strengthened unions because the leaders have taken quality trainings"</i> <i>"I developed myself to strengthen the union"</i> <i>"It was possible to give stability to more workers"</i>
Ica	7	3.2	<i>"Union was not strengthened, but project was good"</i> <i>"There is better understanding on defending labor rights"</i>

BUCCPEP achieved progress on other indicators such as the filing and approval of inspections (47 and 45, respectively). Still, this represents a portion of Peru's larger picture. For example, MTPE reported that in 2017, there were 22,155 total inspection requests in Lima, Ica, and La Libertad.<sup>23</sup> Also, BUCCPEP's work with unions under MTO 2 is on a more moderate level when considering that FNTMMSP (metal/steel) has 100 member unions with 25,000 affiliates, FENTAGRO (agriculture) has 12 member unions with 3,000 affiliates, and FNTTP (textiles) has 20 unions with 4,000 affiliates.<sup>24</sup>

## 3.2 Question 2. Did the project cause unintended effects?

This section highlights unintended effects generated by both projects, which are parenthetically designated as either a benefit or a drawback.

### 3.2.1 Building the Capacity of the Peruvian Labor Inspectorate

The following are major PLIP-driven unintended effects:

**MTPE Partnership (Benefit).** In the PLIP Cooperative Agreement, there was no call to work directly with the MTPE. Given the problematic nature of constant MTPE and SUNAFIL leadership changes, the project took the initiative to reinforce MTPE's project role. This not only generated additional high-level buy-in but was also the basis for PLIP's facilitation of the National and Sectoral Labor Inspection Plan.

**New / Strengthened Relationships in Labor Sector (Benefit).** As a result of PLIP, a number of strategic relationships have been forged and/or improved. Informants point to the following: (a) CHS/PLADES and GoP, which provided a first-of-its-kind partnership model between independent and public sectors in the labor sector; (b) GoP and unions, whose relations and

<sup>23</sup> Per MTPE 2017 Statistics Yearbook, 2017 inspection requests filed with SUNAFIL for BUCCPEP territories were: Ica – 990; La Libertad – 1,757; Lima – 19,408. Information from this source on total number of approved inspection requests for BUCCPEP territories was not considered to be reliable.

<sup>24</sup> Data from 2018 Federation Reports submitted to the Solidarity Center.

communications were improved by the project, particularly at regional levels; and (c) USDOL and SUNAFIL, which solidified a partnership at a critical moment in the agency's organizational evolution and further legitimized the presence of both partners.

**Training Effects (Benefit).** SUNAFIL's Training Center is cited as having generated three unanticipated effects. First, staff in Ica and Lima affirmed that training has increased their motivation and confidence to conduct their work in a better way. Second, demand for training courses has doubled among staff in regional intendencies in particular. According to project and SUNAFIL informants, this is due to the quality of courses and delivery mechanisms that now exist. Third, feedback from virtual-training participants cites a general improvement in digital literacy among SUNAFIL's more seasoned staff, who have limited levels of technology experience.

**Local Organizational Capacity (Benefit).** As first-time implementers of a USDOL project, CHS and PLADES identified increased capacities that accrued to their organizations as an unintended effect of the project. Improvements were cited in the capacity to manage and negotiate within Peru's public sector and to manage and implement USDOL projects. Also, PLADES is now well-respected within SUNAFIL and MTPE.

### 3.2.2 Building Union Capacity to Reduce Precarious Employment in Peru

The following are major BUCCPEP-driven unintended effects:

**Soft Skills and Leadership (Benefit).** In Rapid Scorecard responses, trained participants cited a self-perceived increase in soft skills, particularly related to leadership, communication, self-confidence, and motivation to advocate. Also, in Ica and Lima, anecdotes were provided of trained promoters aspiring to higher positions within unions (i.e., secretary general). FNTTP (textile) informants stated that for the first time, women trained by the project were running for and occupying these leadership positions.

**Engaging International Organizations (Benefit).** Given the project's focus on the export sector, the Solidarity Center supported federations to engage with a number of international organizations, including CSR certification firms, unions, and INGOs. In turn, these entities provided union support, technical assistance, and advocacy. Not only did this serve to provide greater leverage in negotiations with employers, but it also opened up avenues for learning, awareness, and future alliances.

#### **Potential Retaliation on Select Groups of Workers in Agro-Export and Textile Sectors (Drawback).**

The evaluation learned from two BUCCPEP-trained informants that a union affiliated with one of Peru's largest agro-export companies no longer has members. They also noted that the company has dismissed numerous BUCCPEP-trained promoters

*"Today, more than ever, employers are using aggressive strategies because they are scared of what we have learned and can do."*

-BUCCPEP Informant, Lima

and is using aggressive tactics to further intimidate workers. They confirmed that the company could be targeting BUCCPEP-trained workers and that the overall situation at the company is worse now than when the project ended. Likewise, FNTTP and FENTAGRO focus group informants stated that challenges faced by workers in the textile and agro-export sectors, respectively, are the same since BUCCPEP. There was consensus that textile-sector employers continue with aggressive tactics (and in some cases even more so) to control union members. Undoubtedly, there can be numerous explanations for why employers dismiss workers or engage in aggressive tactics. While the evaluation is not attributing any current harm to BUCCPEP actions, it does seek to illuminate the presence of such as expressed by project informants. The

finding for potential blowback, although in an emerging state, warrants consideration for USDOL actions that seek to support workers in Peru's current context.

### **3.3 Question 3. What were the key factors that facilitated and limited results achievement?**

This section identifies facilitating and limiting factors affecting the projects' ability to attain results. PLIP is discussed in Section 3.3.1 and BUCCEP in Section 3.3.2.

#### **3.3.1 Building the Capacity of the Peruvian Labor Inspectorate**

The following are the key internal and external factors that have affected results achievement for PLIP.

##### **Factors Facilitating PLIP Results**

**SUNAFIL & MTPE Partnership.** Informants pointed to the critical importance of working with and through SUNAFIL at this particular moment. This partnership provided USDOL immediate legitimacy in working with Peru's inspectorate and allowed strategic contributions to an agency in its nascent stages of organizational development. Also, PLIP's partnership with MTPE further increased institutional buy-in and legitimacy and facilitated an important, although unintended, result in the National and Sectoral Labor Inspection Plan.

**GoP Political Will for SUNAFIL.** SUNAFIL's growth over the past five years was a positive factor. The agency has steadily moved toward its goal of 25 intendencias and 900 inspectors. According to informants, current GoP commitment to SUNAFIL was key to supporting the achievement of IO 1 and IO 2 outputs in particular.

**PLIP Capacity-Building Approach.** The project was designed to build the human (IO 2) and institutional (IO 1) capacity of SUNAFIL in Lima and two of its regional intendencias (IO 3). A number of SUNAFIL informants valued PLIP's capacity-building approach, which included training but went beyond with a complementary focus on strengthening the SIIT information system.

**Local Implementers.** CHS and PLADES, as local organizations, facilitated results achievement. Informants cited their existing capabilities to: rapidly start up implementation; tap into a proven local network of consultants; and leverage existing relationships with allies and partners to resolve issues. Also, PLADES' 25+ years of experience promoting labor rights in Peru was mentioned as strategic and important.

**Virtual Classroom.** Project and SUNAFIL informants identified the Training Center's virtual training platform as responsible for significantly increasing the number of inspection staff trained. Fully rolled out in 2017, it was responsible for training 208 of the total 549 staff trained in less than two years.<sup>25</sup>

##### **Factors Limiting PLIP Results**

**PLIP Project Design.** Informants noted that the project design itself limited broader and deeper achievement. Specific design weaknesses mentioned include: (a) theory of change and corresponding results framework were overly ambitious for a first-time LIS project in Peru's

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<sup>25</sup> PLADES, Evaluación del impacto de las acciones de capacitación realizadas durante el proyecto SUNAFIL-USDOL. March 2019, p 12.

context; (b) insufficient time and resources; (c) SUNAFIL experience, priorities, and needs not well reflected; and (d) an inaccurate critical assumption of GoP support to improve short-term contracting arrangements.

**Complexity of LIS Context.** The complexity of Peru's Labor Inspection System (e.g., laws, tripartite relations, employers and GoP positions) limited further achievement of PLIP results. Paramount in this regard is the fact that the GoP did not have the political will to directly improve short-term contracting arrangements.

**SUNAFIL Leadership Turnover.**<sup>26</sup> Seven superintendent changes and numerous regional intendent changes had a limiting effect on implementation, continuity, and results achievement. PLADES affirmed it did its best to keep momentum going across the changes, but each transition required a near "start-over" in terms of communicating critical information about the project and obtaining needed support. These leadership changes were also the reasoning behind USDOL's granting of a six-month no-cost extension of PLIP.

*"The quality and frequency of social dialogue in Peru must improve."*

-Employer Informant, Lima

**Inadequate Employer Focus.** External stakeholders noted that the project's lack of engagement with employers and explicit strengthening of social dialogue hurt overall results progression and affected sustainability. While PLIP informants noted that outreach efforts to employers' associations like the National Society of Manufacturers did occur, a specific programmatic mandate to strategically engage across the project was notably absent.

**Weak ILO Partnership.** PLIP's partnership with ILO was non-existent in the first year of the project and lacking thereafter. It was specifically noted by international informants that not enough was done to partner with the ILO (one of PLIP's critical assumptions) to strategize and tap into the organization's experience in building tripartite relations and social dialogue. Specifically, ILO's valuable experience in Colombia and throughout the region should have been more strategically tapped, both in project design and during early implementation.

**LIS Information Gaps.** Informants mentioned that incomplete and disjointed information on the Labor Inspection System had a limiting effect on project results, particularly IO 1 and IO 3. Three interrelated gaps cited are presented below.

1. **Planilla Electronica.** Employers are required to send in this electronic form monthly to the National Superintendent of Customs and Tax Administration (SUNAT). It contains critical employee information: contract type, salary, and insurance status. MTPE has an agreement with SUNAT to access this information, but there are a number of challenges, including: manual rather than electronic sharing; time lags to receive information; and outdated, incomplete, or unreliable information. Also inspectors, as key users, typically do not have significant experience with the information and have limited access to it.
2. **Inspection Information.** As Peru's Labor Inspection System is emerging, there are still large information gaps regarding good inspection practices or cases, reliable labor statistics, and export-industry labor trends or influences. Such information is crucial to allow evidence-driven inspections and sanctions; improve LIS strategies, processes, and practices; and allow SUNAFIL as an organization to grow strategically.

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<sup>26</sup> Constant turnover in GoP agency leadership is common. Change occurs when opposition parties (particularly with Congressional majorities) question merits or performance of leaders, who will step-down voluntarily or by order. In SUNAFIL's case, changes in MTPE ministers triggered leadership changes.

3. **Inter-Agency Information Sharing.** While MTPE signed information-sharing agreements with various government agencies (e.g., the National Superintendent of Customs and Tax Administration or SUNAT, Social Health Insurance or EsSalud, National Superintendence of Public Records or SUNARP, National Registry of Identification and Civil Status or RENIEC) there are still many of the same challenges discussed above under the *planilla electronica*.

**CFC not part of SUNAFIL Organizational Structure.** The fact that the Training Center is not a designated part of SUNAFIL's organizational structure limited PLIP's ability to maximize IO 2 results. Over the life of the project, CFC's annual budget has been minimal and deprioritized.<sup>27</sup> This has restricted full-time staffing and challenged the Center's ability to deliver trainings more effectively and more efficiently. Given this reality, informants estimate that CFC is only meeting approximately 40 percent of the current training demand.

**Lack of IT Personnel and Software.** SUNAFIL informants noted the difficulty in finding qualified experts to strengthen the SIIT information system. This gap also persists in their own hiring of full-time personnel and is a key reason INII hired two data-mining consultants initially provided by PLIP. According to regional informants, this situation is exacerbated in the intendencias. Finally, SUNAFIL sources noted that a lack of resources limited purchase of needed scanning software licenses to permit proper digitalizing of case information.

### 3.3.2 Building Union Capacity to Reduce Precarious Employment in Peru

The following are the key internal and external factors that have affected results achievement for BUCCEP.

#### Factors Facilitating BUCCEP Results

**Federation Partnerships.** Informants pointed to the importance of working with and through federations to best reach member unions and prioritize those in need. They were also key in helping union members gain employers' permission to attend the TOTs delivered on weekdays. The General Confederation of Peruvian Workers<sup>28</sup> was also a partner that provided technical assistance to member federations and unions. These partnerships afforded rapid and legitimate access to workers, facilitated outputs, and were a key to sustainability.

**Export-Industry Focus.** Informants confirmed that the project was rightly prioritizing the export industry and sectors within, where short-term contract arrangements are most pervasive. The appropriateness of the focus was also apparent in the willingness and motivation of federations to partner with the USDOL project, as per the point above.

**Covering Basic Expenses for TOT Participants.** When the Solidarity Center held trainings, it would cover associated transportation costs and provide a standard per-diem for participants. This, according to informants, was an important factor in ensuring participation of union promoters and facilitated total numbers achieved. The downside, however, was that this reimbursement practice could not be sustained in the courses replicated by union promoters.

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<sup>27</sup> CFC average budget for 2017 and 2018: 275k soles (US\$ 83K). In May 2018, SUNAFIL transferred the CFC budget to flood emergency activities in the south. From May to December 2018, PLIP funded 100% of trainings.

<sup>28</sup> CGTP is Peru's largest trade union federation in Peru and is affiliated with the World Federation of Trade Unions.

## Factors Limiting BUCCEP Results

**BUCCEP Project Design.** The two-year, US\$ 1 million investment was cited by numerous informants as inadequate for the theory of change and problem scope. There is a complex and contentious relationship between Peruvian workers and employers and, with regard to the issue of

*“Two years is not enough to build up adequate capacity. Promoters don’t have the ability or resources to continue this work alone.”*

*- BUCCEP Informant, Lima*

short-term contracting arrangements, it is even more so. Informants from beneficiaries to project implementers were concerned about the project’s restricted investment and timeline.

**Training as Primary Intervention.** While a focus on training is considered relevant for developing union promoters’ capacity, it is not sufficient on its own to build much-needed organizational capacity of federations and unions, an inherent part of MTO 2. The BUCCEP project design, therefore, lacked results and corresponding indicators that aspire to strengthen the systems, processes, and protocols of unions to best represent workers in addressing abusive short-term contracts and unlawful subcontracting.

**Complexity of Labor Laws.** The complexity of Peru’s labor laws and their allowance of fixed-term or indirect contracting has limited BUCCEP’s ability to make further progress. Informants from project implementers to federations cited that this reality has specifically limited LTO and MTO 2 results. To some extent, this has also contributed to BUCCEP’s inability to modify such laws.

**Inspection Process.** Informants cited that inspection and sanctioning processes continue to have efficiency and effectiveness challenges, which have limited MTO 2 results. With respect to efficiency, a full inspection process can take from 12 to 15 months.<sup>29</sup> This is due to complex inspection processes, minimal staff, and overwhelming demand. For effectiveness, informants stated that, while inspectors are part of a union and are less vulnerable to influencing factors, analyzing staff (e.g., lawyers and adjudicators) are at-will employees and are more susceptible. According to project informants, analyzing staff would halt filed requests on small technicalities, such as not using correct forms. In particular, this limited the number and approvals of filed cases.

**Union Promoters’ Reality.** Numerous union-promoter informants identified low financial resources and work constraints as limiting their ability to be trained via the full, three-module TOT program and then, in turn, carry out trainings of others.<sup>30</sup> Beyond these, obtaining employer permission for trainings offered on weekdays was at times a challenge and required Federation intervention. Union-promoter informants also stated that such realities limited training replication to affiliated and non-affiliated members. A final reality mentioned by informants in Ica was the unavailability of training materials for replication. Project implementers, however, affirmed that training materials were distributed to participants in Ica and all other BUCCEP regions. Nevertheless, the collective effect of these issues limited MTO 1 results.

**Limited Organizational Capacity of Unions in Agro-Export and Textile Sectors.** In the agro-export and textile sectors, union capacity is limited. Overall, unions have an incomplete set of abilities to mobilize membership, raise and manage resources, build internal human capacity, strategically resolve workplace issues, and engage in collective bargaining. These weaknesses

<sup>29</sup> According to the law it should take 9 months to complete a full inspection process. However, according to a study done by the MTPE in 2016, it currently takes between 12 and 15 months.

<sup>30</sup> The full TOT training program is three modules, delivered in a ~ 3-month period (2 hours per month).

can be further magnified by corresponding employers who can seek to further weaken, disrupt, or disband the organizations altogether. In particular, this limited further advancement on MTO 2.

**Peruvian Judicial System.** Informants cited ongoing challenges in the judicial system as limiting BUCCPEP results. Some of the issues mentioned (e.g., inefficiencies, staff shortages) have also been identified as weaknesses in the US Department of State's *Country Reports on Human Rights*.<sup>31</sup> According to project-implementer informants, employers challenge inspection sanctions in courts and count on such judicial system weaknesses to prolong or delay cases. This has limited cases sanctioned as per MTO 2.

**SUNAFIL Leadership Turnover.** Leadership turnover at national and regional levels also challenged BUCCPEP's results achievement. In particular, this fact limited or slowed the project's ability to file inspection requests and move them through the lengthy process.

### 3.4 Question 4. What is the likelihood that project activities and results will continue absent USDOL resources?

This section reviews sustainability potential for both projects' activities and results. For each IO or MTO, the level of sustainability (i.e., likelihood of continuation absent USDOL funding) is given a rating using the Question 1 evaluation scale.<sup>32</sup> Starting from each project's sustainability plan (both developed during mid-term evaluations), outputs under the major objectives are assessed.

#### 3.4.1 Building the Capacity of the Peruvian Labor Inspectorate

The PLIP Sustainability Plan is based on seven outputs, which according to the mid-term evaluation, SUNAFIL had the will and ability to support, including: SIIT information system inputs; virtual classroom; studies to support standardization of inspection actions; staff trained; workload distribution methodology; protocols and forms; and planned inspections.

The overall probability of replicating PLIP's results without the assistance of USDOL is evaluated as **moderate**. Sustainability considerations for the DO and each IO are as follows:

- **DO (Improved Effectiveness of LIS).** The evaluation cannot assess sustainability for this result as it has no corresponding indicators and, by default, no activities. Again, the DO result is considered as unattainable for the LIS context and the level of USDOL investment.
- **IO 1 (Enhanced SUNAFIL's Capacity).** The probability of sustaining IO 1 activities and results is **moderate**. The highest sustainability potential exists for select outputs under SIO 1.1 and 1.2. For SO 1.1, management improvement actions for reporting templates and inspections standards will be continued. The workload methodology will likely not, given unresolved methodological issues over its distribution formula. Digitalization efforts will also stop as SUNAFIL does not have resources to purchase licenses for relevant scanning software. For IO 2, the data-mining work will continue (MTPE noted that this effort helped identify sectors where labor informality was most prevalent), as this is an agency priority and SUNAFIL hired the two consultants provided by PLIP. Additionally, the National and Sectoral Labor Inspection Plan has already informed a major national policy. For SIO 3, the agency arrangements will

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<sup>31</sup> For more information on Peru's judicial system, see: *Country Reports on Human Rights Practices for 2017*, United States Department of State, Bureau of Democracy, Human Rights and Labor, 2017.

<sup>32</sup> 'Sustainability' definitions used in the projects' sustainability plans will be adapted to the final evaluation's scale as per the following: **High**: strong likelihood to continue and resources in place to ensure sustainability; **Above-moderate**: above average likelihood to sustain and resources identified but not yet committed; **Moderate**: some likelihood to sustain select results and select resources identified; **Low**: weak likelihood to sustain and resources not identified.

continue, although not much is occurring between the partners. In sum, while the evaluation is confident that SUNAFIL would generally continue with the SIIT information system improvements under SIO 1.1 and 1.2, we are not as certain that INII has the financial and human resources to continue improving SIIT absent USDOL resources.

- **IO 2** (*Enhanced Inspectors' Capacity*). The probability of sustaining IO 2 activities and results is **above-moderate**. For SIO 2.1, the virtual classroom is in place, operational and Training Center staff are leading. Although 59 staff have taken the TOT courses, delivery has been falling across the project (in 2018, 4 total courses delivered); thus, replication potential is low. For SIO 2.2, a total of 549 SUNAFIL staff have been trained, training evaluation pre- and post-tests show that KSAs have improved and that information has a good likelihood of being retained. With respect to increases in inspector competency, there was insufficient information to determine change. However, within the FGDs with small samples of inspectors, all cited a need for additional knowledge and experience before their competencies can meet needs.

The most serious threat to sustaining IO 2 gains, however, is the fact that the Training Center is not yet part of SUNAFIL's official structure. To some extent this has affected staff retention; to a large extent, it has limited resources and reach. The CFC will likely not disappear in the future, particularly in light of PLIP-driven gains over the past four years. And, while 2018 funding decisions raise concerns about sustainability and scale, CFC's current annual budget generates a bit more confidence. That is, CFC's 2019 budget has increased to 315K soles (~US\$ 105K), which has, in turn, augmented its annual training delivery target to 28 courses (doubled from 2018).

- **IO 3** (*Improved Labor Inspection*). The probability of sustaining IO 3 activities and results is **low**. As discussed, little has taken place across the two SIOs. And, those protocols, directives, and studies that were developed under the SIOs were not highly valued or institutionalized, according to project informants. Thus, the low rating of sustainability potential for this IO is interconnected with results achievement, as each is affected by low levels of political will on short-term contract arrangements and the labor-inspection process.

### 3.4.2 Building Union Capacity to Reduce Precarious Employment in Peru

The BUCCPEP Sustainability Plan guided efforts to support the three federations (FNTP, FENTAGRO, and FNTMMSP) in replicating project activities and results via the following: (1) developing plans for sustaining project activities and results; (2) obtaining commitment to duplicate, share, and improve educational materials; and (3) connecting to and supporting union activities. The evaluation team had the unique experience of visiting the project more than a year from its close. As opposed to forecasting sustainability at project end, the team observed current levels more than one year after project end.

Overall probability of replicating BUCCPEP's results without the assistance of the USDOL is evaluated as **low**. Sustainability considerations for the LTO and each MTO are as presented below.

- **LTO** (*Constituents, employees, and GoP address short-term contract arrangements*). The probability of sustaining LTO activities and results is **low**. Across the three sectors, a select number of unions and their federations were provided financial and/or technical/training support to address abusive contracting arrangements. The resulting 15 test cases represent an important benchmark for replication. Yet their persistent continuation, absent USDOL resources, depends largely on the capacity and resources of these unions and their

corresponding federations. Particularly in the textile and agro-export sectors, union capacity and resources remain at low overall levels.

- **MTO 1 (Improved education of workers).** The probability of sustaining MTO 1 activities and results is **low**. The evaluation did hear of self-reported increases in KSAs by trained union members, particularly on basic labor rights, awareness of temporary contracts, and soft skills. However, KSAs alone are not sufficient to generate the will or action to replicate MTO 1 activities and results. For ISTO 1.1 and 1.2, no replication is occurring with respect to trainings, materials' distribution, or formal discussions. This was confirmed by federations and their members when spoken to by the evaluation team. The key reasons behind this include: (a) union trainers do not have resources to incentivize participants to attend; (b) low organizational capacity of federations and unions to plan, prioritize, and organize efforts; (c) costs associated with replication, particularly in terms of training materials; and (d) low capacity or will of trainers to continue education efforts.

*"We planted some seeds, but we need to strengthen the unions and federations more; they need more formal structures to give life to the trainings."*

*- BUCCEP Informant, Lima*
- **MTO 2 (Improved representation of workers).** The probability of sustaining MTO 2 activities and results is **low**. The activities feeding into improved representation of workers included labor–management dialogue, collective bargaining, and advocacy of rights to labor inspectors and labor courts. These tactics have been utilized by a select number of unions across the three export-industry sectors. Still, as mentioned above in the LTO, the likelihood of their replication hinges on the capacity and resources of unions and their federations. The fact that the project design was not more purposeful in strengthening these entities' systems, processes, and policies constricts potential. That is, while federations and unions gained valuable experience and tactics, they did not measurably improve organizational capacity (including the ability to generate resources) to effectively and regularly represent workers with abusive short-term employment contracts or unlawful subcontracts. The select federations and unions worked with by the project will continue to report precarious work practices and to represent workers on a limited and selective basis, as capacity and resources allow.

### 3.5 Question 5. What were the lessons learned, promising practices, and emerging trends?

This final section discusses key lessons and promising practices learned from project implementation, as well as current trends in Peru's labor context. These three elements serve as organizing concepts and are each defined below; parenthetical reference is made to the project(s) that influenced the lesson or promising practice(s).

#### Lessons Learned

The PLIP and BUCCEP project experiences that should be actively taken into account for any potential future programming are presented below.

*"A 4-year project is not sufficient to change the use of these contracts. Projects need much more time and continuity."*

*- PLIP Informant, International*

- **Long-Term Perspective to LIS Change (PLIP & BUCCEP).** Peru's Labor Inspection System is relatively new, complex, and driven by organizations with significant needs. It is also marked by a history of contentious relationships between labor and employers. Short-term, moderately resourced projects can make small and targeted advances, but they cannot facilitate change on the scale aspired to by both projects' theories of change. A number of

informants cited the need for longer term programming, higher levels of continuity (i.e., timing and technical focus), and realistic expectations for results (see directly below).

- **Adjusting Project’s Desired Change to Context and Available Resources (PLIP & BUCCPEP).** Given United States Government (USG) funding limitations and finite resources, there may be challenges associated with having longer term investment

*“Resources were sufficient to only educate a small group of workers in a limited manner.”*

*- BUCCPEP Informant, Lima*

perspectives to improve Peru’s labor rights and/or LIS environments. Nonetheless, any level of desired positive change sought through such projects should tailor time, resources, and design to the LIS context. Informants stated that both projects should have: (1) provided more time and resources to address the significant labor realities; (2) considered organizational needs; (3) developed theories of change that were commensurate with investment level and timeline; and (4) better considered the LIS political and relationship contexts. As previously stated, these issues challenged project planning, implementation, measurement, and results achievement.

- **Plan for Sustainability and Scale Early (PLIP and BUCCPEP).** The mid-term evaluation was not an optimal point to consider sustainability and plan for it. To heighten potential, sustainability, and scale should have been considered and integrated into the design of the project. Sustainability plans should also be required at the initiation of a project (as a key management tool) and connected to the PMPs. That is, these plans should be tracked and updated across the project life. Both projects did use sustainability plans to adjust efforts. For PLIP, this included ensuring key IO 2 efforts (i.e., virtual classroom and trainings) were managed and implemented solely by the CFC. For BUCCPEP, this included integrating key project efforts into each federation’s annual work plan. While these plans did spur changes in approach and corresponding actions, the evaluation did not see evidence of more robust tracking and adaptations in both projects.

- **Purposefully Engaging Employers (PLIP & BUCCPEP).** PLIP’s main beneficiary was the GoP, while BUCCPEP’s was unions. While a part of BUCCPEP’s focus was to engage employers through social dialogue, this did not

*“Strengthening the union movement is key, but we also need to work with employers to transform the system.”*

*- PLIP Informant, International*

occur on the level planned (see Table 10, ISTO 2.3). Informants from the employers’ association expressed frustration with the inspection system, its actors, and inconsistently applied standards and rules that govern processes. With the PLIP and BUCCPEP projects, they remarked that the GoP is empowering unions. Indeed, there is a need for more strategic and purposeful coordination and dialogue with employers.

- **Soft Skills Matter (PLIP and BUCCPEP).** Complementing the need for inspectors or union promoters to gain awareness and technical knowledge is the importance of developing soft skills. While soft skills’ improvement was expressed explicitly among BUCCPP-trained informants, it was implicit among the inspector informants. As both projects are empowering beneficiaries to maximize performance inside their respective organizations, developing soft skills—such as leadership, communication, and problem solving—is crucial. In BUCCPEP the attainment of newfound soft skills resulted in union leaders (including first-time female members) aspiring to higher positions. In PLIP, enhanced soft skills merged with increased technical knowledge and resulted in a higher level of confidence. Noteworthy, soft-skills training in both projects was not explicit and targeted but rather included in the training

pedagogy and content. While CFC desired to be more purposeful about building soft skills in trainings, they did not get permission to do so.

- **M&E Support for Local Implementers (PLIP & BUCCPEP).** Both projects experienced complications with implementing results-measurement. Neither was able to conduct acceptable baseline studies, which limited target-setting. Likewise, and given result and indicator design weaknesses, there were significant challenges in collecting data to measure results. This not only affected the quality of data presented in final PMPs, but also challenged project management and achievement of higher-level objectives. As first-time USDOL implementers, many of the M&E concepts and requirements were foreign to local implementers CHS and PLADES. And as local staff often serve as M&E leads, there is need for improved USDOL orientation and support for M&E, particularly at project initiation.
- **Potential for Unintended Negative Effects (BUCCPEP).** The evaluation does not offer rigorously investigated conclusions that the project led to harmful consequences. Yet informant interviews and FGDs with two groups of trade-union participants signal the potential for negative effects. That is, projects in Peru that work with federations, unions, or their members have the potential to generate unintended, harmful effects on the livelihoods or labor conditions of select individuals or groups of workers. Accordingly, the design of projects seeking to empower workers in the Peruvian labor context should be well informed by assessments. And, once projects are implemented, they should be constantly monitored to ensure that harm is minimal, isolated or, ideally, absent.
- **Importance of Developing Organizational Capacity (BUCCPEP).** In developing human capacity, it is also important to strengthen the organizations the people belong to. This begins with an assessment of the organization’s structure, systems, policies, and processes. BUCCPEP project design and implementation did not sufficiently empower federations and unions to effectively represent workers before employers and the GoP, as called for in MTO 2. Only one MTO 2 indicator explicitly targeted unions’ systems (i.e., improved administrative functions); yet the mid-term evaluation recommended elimination of that indicator. The key to sustainable MTO 2 success rests in the level of increased organizational capacity federations and unions possess to effectively and more regularly file for inspections, have them approved, and engage in social dialogue. Providing financial or accompanying support to federations and unions is good, but not enough. In sum, the evaluation considers BUCCPEP’s theory of change and program design to be overly focused on education and outreach. Without a robust and purposeful approach to strengthening organizational systems, project results and sustainability will be restricted.
- **Balancing Roles and Responsibility of Volunteers (BUCCPEP).** To a large extent, the project centered on training union promoters. These individuals are seen as playing an important role in improving labor and contractual situations in Peru. Still, projects should be mindful of how much effort is required from volunteers such as the union promoters. Likewise, caution should be exercised in developing a theory of change that is centered on union volunteers. Indeed, the life situations and realities of the promoters, came into play and affected the quality, quantity, and sustainability of results achievement.

*“People in Peru don’t do things for free.”  
- BUCCPEP Informant, Lima*

## Promising Practices

A project intervention that was effective in achieving a positive result is considered a “promising practice”. Below we present a number of such practices identified by the evaluation.

- **PNSIT (PLIP).** In Peru, government plans typically manifest from policies and facilitate their operationalization. This model was flipped, as the National and Sectoral Labor Inspection Plan or PNSIT was developed first, and then facilitated MTPE’s National Policy on Competition and Production. The evaluation sees this as an important precedent in Peru’s emerging Labor Inspection System. That is, with its numerous policy gaps, this plan can serve as a model for future, more rigorous labor inspection laws, policies, and practices. Its process shows another, perhaps more palatable, way to influence policy. The key ingredient of course is a close partnership with the MTPE.
- **Leveraging External Actors to Influence or Resolve Issues (BUCCPEP).** To allow greater leverage, BUCCPEP facilitated the mobilization of local and national actors to support union activities in each sector. Partners identified include CSR certification firms, international unions, international NGOs and multi-national corporations (MNCs). Support took on various forms, which ranged from technical assistance to advocacy to influencing social dialogues by aligning with unions’ positions. Also, one of the six training modules “*Worker strategies to advocate for improved labor rights*” covers global supply chains; international monitoring mechanisms; and bodies, certifications, and CSR strategies for the textile and apparel sector. Altogether, this was an emerging practice, so a robust body of positive evidence does not yet exist. However, the case below can be instructive for its potential as a promising practice.
- **Working through Peruvian Institutions (PLIP & BUCCPEP).** To achieve lasting and relevant results, project implementers pointed to the critical nature of working with and through major Peruvian organizations. In the case of PLIP, working through SUNAFIL allowed successes that, to an extent, flowed to the intendencies. For BUCCPEP, three major federations provided the access and legitimacy needed by the project. In both cases, working with these actors is seen as key to increasing the likelihood that activities or results will be continued.
- **Effective Training Approaches (PLIP & BUCCPEP).** As both projects focused heavily on training, each honed its approach to enable quality delivery and achieve quantity trained. The aspects below are good training practices for each project.
  - **Blended Training Delivery Approach (PLIP).** In Year 2, PLIP complemented its in-person training approach with the launch of its virtual classroom.<sup>33</sup> This was done to increase training reach in a quick and low-cost way. The Training Center then combined both approaches into a blended training delivery approach: face-to-face classes selectively complementing virtual classes. This significantly increased numbers of SUNAFIL inspection staff trained, while allowing for selective and strategic face-to-face discussions to reflect on and further process the module’s learning. This was done by identifying a central location in each region and holding the live-training.
  - **Experiential TOT (BUCCPEP).** The three-module Training of Trainers package was developed based on good practices for adult education: begin with learner experience and strive to go beyond; facilitate critical awareness (i.e., labor rights and short-term contracting); and emphasize practice. Beyond modules on labor rights and short-term contract arrangements, the TOT had a module on adult-learning methods, which a number of informants mentioned as valuable. This, according to project-implementer informants, supported quality progress under MTO 1.

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<sup>33</sup> SUNAFIL’s virtual classroom can be visited at: <https://aulavirtual.sunafil.gob.pe>.

## Emerging Trends

Current or forecasted realities in Peru's labor sector, which will have lasting effects and warrant consideration for future programming, planning, or implementation are presented below.

- **Short-Term Contracts and Outsourcing Continue in Peru.** All informants agreed that pervasive use of short-term contracts and outsourcing arrangements in the export industry continues. While SUNAFIL's regional intendencies are a welcome addition to Peru's Labor Inspection System, most federation and union informants do not hold hope that transformative change will take place in the near future.
- **Centralization's Negative Effect on the Intendencies.** The evaluation's visit to Ica signaled that the shift to a national inspectorate system (i.e., centralized system) is limiting the growth and effectiveness of the regional intendencies. Regional staff feel under-resourced, overburdened, and underqualified to manage current workloads. As everything from the SIIT to trainings are developed nationally, numerous regional informants expressed that the tools do not always meet needs. Informants from Lima also confirmed that, in the big picture, SUNAFIL's priority is at the national level. Given that SUNAFIL operationalizes at the regional levels, the evaluation considers this to be alarming.

*"Now we have to use money from our regional budget for inspector trainings. Our budget is already very low"*  
- GoP Informant, Ica
- **Formalizing Labor is the GoP Priority.** As expressed in its *National Policy on Competition and Productivity*, the major priority of MPTE is on formalizing labor and, in turn, reducing Peru's informal labor sector. While at first glance, one could see formalization as connected to short-term contracting arrangements, it is not. This is because its emphasis is on ensuring that workers have a contract (it can be short-term) and are registered via the *planilla electronica*—among other characteristics. Project-implementer and federation informants expressed that the GoP's focus on formalizing labor distracts inspectors from a much-needed focus on serious worker abuses and labor-rights violations. Clearly, this priority is politically more palatable and less controversial than addressing short-term contracting arrangements.

*"Inspection is an important tool to promote the formalization of labor"*  
- GoP Informant, Lima
- **Low Functioning Tripartite.** Beyond the under-developed worker–employer relationships, Peru does not have a history of success with social dialogue. There is also lack of clarity regarding roles in facilitating solutions. On its face, this reality seems to be strikingly contrary to evolving government priorities in SUNAFIL, increased labor-rights awareness and actions, Peru's continued focus on gaining entry into OECD, and efforts to maintain participation in the United States–Peru Trade Promotion Agreement.
- **Strategic Window of Opportunity to Strengthen LIS.** Like its shepherd SUNAFIL, Peru's Labor Inspection System is in nascent stages. The evaluation did not do extensive research on the evidence behind LIS-development; however, there appears to be ample opportunity to influence its strategic direction. Neighboring countries such as Colombia or Chile could offer lessons and practices in developing their own LISs. These can include strategies, practices, or policies that balance the needs of and are acceptable to tripartite partners.
- **Potential for a Legal Precedent in Peru's Mining Sector.** If the final ruling on the mining company's judicial claim for protection against SUNAFIL inspection continues being denied, then it will set an important legal precedent in the sector and in Peru's Labor Inspection System. Not only will this case serve as an authoritative example of the illegality of the

particular outsourcing conditions that affected nearly 1,500 workers, but it will also significantly enhance SUNAFIL’s credibility. Project informants signaled that companies in the mining sector are paying close attention to this result. On the downside, however, this case highlights the length of time it takes (>2 years to date) to bring a case like this through the judicial system.

- **Diverse Sector Realities in Export-Industry.** A number of informants also discussed the unique realities and needs within the three industries: agro-export, mining, and textile. While the frequent use of short-term contract arrangements is a commonality among them, informants emphasized that the sectors are not the same. Table 12 presents an initial glimpse into some of the major differentiating themes among workers in the three sectors.

**Table 12. Distinct Realities of Export Industry Sectors in Peru<sup>34</sup>**

Theme	Agro-export	Textile & Apparel	Mining
<i>Contract Type</i>	Short, seasonal contracts (3–4 months)	Majority of contracts are short term; however, they are more stable (typically renewed across year with no periods of unemployment)	A variety of contracts exist: long-term, short-term, and tertiary (outsourced)
<i>Employment</i>	Unemployed until season starts and start date depends on crop type	Employs ~ 250,000 people and sector accounts for 30+% of non-traditional exports in Peru	Work regimen is distinct: work 10 days, rest seven; or work 20 days, rest 10
<i>Worker Education</i>	Education is typically at basic levels (primary or less)	Education is typically at intermediate level (secondary education and some with a college degree)	Education is typically at intermediate level (secondary education and some with a college degree)
<i>Gender</i>	Workers are mostly male (< 20% female)	~40 % of workers are women and numbers are increasing	Strong majority (> 70%) of workers are males
<i>Federation Capacity</i>	The capacities of FENTAGRO and its unions are generally weak	FNTTP and its unions have a level of capacity and have achieved collective bargaining. Federation is active and has influence on its members.	FNTMMSP and its unions have strongest level of capacity among three sectors and have achieved collective bargaining. Federation is active and has influence among other federations, the General Confederation of Peruvian Workers, and its unions.

- **Positive Outlook for Continued Partnership with GoP and Federations.** Both projects left good impressions on their institutional partners. In the case of SUNAFIL and the MPTE, USDOL is respected as a government-to-government partner, and both agencies expressed openness and eagerness to repeat collaboration. Similarly, BUCCPEP made strong relationship inroads with the three federations—with each open and willing to collaborate in the future. In sum, the outlook for USDOL and its grantees to continue these partnerships is good and should be continued in the future.

<sup>34</sup> Information in Table 12 was gleaned from interviews and are estimates. There is currently not a lot of information on workers that comprise the sectors, as described on pp. 20-21 of this report under LIS information gaps.

## 4. CONCLUSIONS

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The conclusions presented below were reached based on an analysis of the findings for each evaluation question. For ease of reference, they are grouped under the five evaluation questions.

### 4.1 Question 1. To what extent has the project achieved its theory of change?

There are three interrelated factors that affect Question 1 conclusions. First, both projects' theories of change are largely unattainable (see Sections 4.1.1 and 4.1.2 below). Second, design of both projects is overly aggressive for the time and resources available and not completely in sync with the context and/or partner needs. And third, there are weaknesses in result- and indicator-design, as well as quality and accuracy of data. Collectively, these issues have restricted the ability of each project to succeed under their respective theory-of-change mandates.

#### 4.1.1 Building the Capacity of the Peruvian Labor Inspectorate

***PLIP Theory of Change:*** *If the institutional capacity of SUNAFIL and the professional capacity of its inspectors to conduct effective inspections is improved, including the ability to identify illegal contracting practices, then the overall effectiveness of Peru's inspection system will be improved.*

Before addressing PLIP's theory-of-change attainment, it is important to point out that PLIP's theory of change is predicated on a critical assumption that was not appropriately assessed at the outset. This assumption was that the GoP would prioritize inspectorate strengthening (via political will and resources) and the combatting of illegal subcontracting. Neither of these held true. Thus, the project had to reprioritize and, to some extent, redesign its efforts during implementation.

With the above in mind, the extent to which PLIP achieved results anticipated in its theory of change is summarized below.

- DO (*Improved Effectiveness of LIS*) **cannot be assessed** given a lack of results and indicators.
- IO 1 (*Enhanced SUNAFIL's Capacity*) is evaluated at a **moderate** level of achievement.
- IO 2 (*Enhanced Inspectors' Capacity*) is evaluated at an **above-moderate** level of achievement.
- IO 3 (*Improved Labor Inspection*) is evaluated at a **low** level of achievement.

Overall, the PLIP project laid important groundwork in partnering with SUNAFIL, contributing to strengthening its information system at the national level and training 549 inspection staff. However, given the missing DO indicators, the extent to which PLIP improved the effectiveness of Peru's emerging Labor Inspection System, as per the theory of change, cannot be determined.

#### 4.1.2 Building Union Capacity to Reduce Precarious Employment in Peru

***BUCCEP Theory of Change:*** *If Peruvian trade unions conduct more effective education and outreach to short-term and subcontracted workers and systemically improve representation of these workers, then employer and government engagement will be enhanced through more effective labor inspections and productive dialogue on short-term and subcontracting issues, thereby improving the national labor rights framework and workers' livelihoods.*

Before addressing BUCCEP's theory-of change attainment, it is important to point out that BUCCEP's theory of change is based on a faulty hypothesis. The evaluation posits that it is not possible to "enhance employer and government engagement" through working only with unions (via improved education, outreach, and representation). Moreover, a training-centric approach will not

guarantee improvement in union capacity, the national labor-rights framework, or worker livelihoods. Overall, this theory of change is unreasonable for the project's two-year, US\$ 1 million investment.

With the above in mind, the extent to which BUCCPEP achieved results anticipated in its theory of change is summarized below.

- LTO (*Constituents, Employees, and GoP Address Short-term Contract Arrangements*) is evaluated at a **moderate** level of achievement.
- MTO 1 (*Improved Education of Workers*) is evaluated at an **above-moderate** level of achievement.
- MTO 2 (*Improved Representation of Workers*) is evaluated at a **moderate** level of achievement.

Given available time and resources, the project laid an important foundation for working with federations and unions and training their members. It also supported the filing of test cases that positively affected the lives of 250+ short-term employees and may set a legal precedent that could impact many more. However, considering the full labor context in the project's target geography (Lima, Ica, and La Libertad) the extent to which BUCCPEP contributed to the expected results in the theory of change is considered to be at an introductory level, among a select group of beneficiaries.

## **4.2 Question 2. Did the project cause unintended effects?**

Both projects generate a number of unintended effects as summarized below.

### **4.2.1 Building the Capacity of the Peruvian Labor Inspectorate**

Through its implementation, PLIP has generated four unintended results.

1. Forging a new partnership with the Ministry of Labor and Employment Promotion and the resulting National and Sectoral Labor Inspection Plan.
2. Developing new/strengthened relationships in the labor sector among civil society organizations, the GoP, unions, and USDOL.
3. Facilitating a positive 'training-effect' that includes increases in inspector motivation, training demand, and digital literacy via use of the virtual classroom.
4. Developing capacity of local Peruvian organizations (i.e., CHS and PLADES) as respected GoP partners, able to implement USDOL projects.

### **4.2.2 Building Union Capacity to Reduce Precarious Employment in Peru**

Through its implementation, BUCCPEP has generated three unintended results.

1. Improved soft skills and leadership aspirations, particularly among women in the textile sector (FNTTP).
2. Engaged international organizations (e.g., CSR [corporate social responsibility] certification firms, unions, and INGOs) to allow greater leverage in social dialogues and increase employer accountability.
3. Potential blowback on select groups of workers in the agro-export and textile sectors.

## **4.3 Question 3. What were the key factors that facilitated and limited results achievement?**

Both projects encountered internal and external factors that supported and limited results achievement.

### 4.3.1 Building the Capacity of the Peruvian Labor Inspectorate

Table 13 summarizes the internal and external elements, in order of significance, which supported or constrained PLIP results achievement:

**Table 13. Facilitating and Limiting Factors for PLIP Results Achievement**

Key Factor	Origin		Summary Effect
	Internal	External	
<b>Facilitating PLIP Results</b>			
SUNAFIL and MPTE Partnership		✓	Provided immediate legitimacy and allowed strategic contributions to SUNAFIL and to LIS.
GoP Political Will for SUNAFIL		✓	GoP committed resources to support agency's growth.
PLIP Capacity-Building Approach	✓		Designed to build human and institutional capacity.
Local Implementers	✓		CHS and PLADES able to rapidly start up implementation; tap into a proven local network of consultants; and leverage existing relationships.
Virtual Classroom	✓		Responsible for exponentially increasing number of staff trained: 208 of the total 549 staff trained in less than two years.
<b>Limiting PLIP Results</b>			
PLIP Project Design	✓		Weaknesses in theory of change; insufficient time and resource investment; GoP priorities not well reflected; and lack of key critical assumptions.
Complexity of LIS		✓	GoP political will, laws, tripartite relations, employers and GoP positions.
SUNAFIL Leadership Turnover		✓	Seven changes over the four years and reason for grant extension.
Inadequate Employer Focus	✓		Project's lack of focus on employers and explicit strengthening of social dialogue hurt overall results progression and affected sustainability.
Weak ILO Partnership	✓		PLIP's ILO partnership was non-existent in the first year of the project and lacking thereafter. This limited tripartite relations and actions.
LIS Information Gaps		✓	Three key gaps: (i) <i>planilla electronica</i> , (ii) inspection information, and (iii) inter-agency sharing.
CFC Not Part of SUNAFIL Organizational Structure		✓	The fact that CFC (the Training Center) was not part of SUNAFIL's organizational structure limited PLIP's ability to maximize IO 2 results.
Lack of IT Personnel and Software		✓	Difficulty in finding qualified experts to strengthen the SIIT information system.

In considering the summative findings in Table 13, internal factors dominated the facilitation of PLIP results achievement, while external factors were more often responsible for limiting success.

### 4.3.2 Building Union Capacity to Reduce Precarious Employment in Peru

Table 14 summarizes the internal and external elements, in order of significance, which supported or constrained BUCCPEP results achievement:

**Table 14. Facilitating and Limiting Factors for BUCCEP Results Achievement**

Key Factor	Origin		Summary Effect
	Internal	External	
<b>Facilitating BUCCEP Results</b>			
Federation Partnerships		✓	Provided immediate legitimacy and allowed strategic interventions with unions in need.
Export Industry Focus	✓		Prioritizing industry and sectors where short-term contract arrangements are most pervasive.
Covering Basic Expenses for TOT Participants	✓		Basic training costs were covered for Training of Trainers participants, which ensured and enhanced attendance (350+ trained).
<b>Limiting BUCCEP Results</b>			
BUCCEP Project Design	✓		Weaknesses in theory of change and insufficient time and resource investment.
Training as Primary Intervention	✓		Training not sufficient to build much-needed organizational capacity of federations and unions.
Complexity of Labor Laws		✓	Complexity of Peru's labor laws, their allowance of fixed-term or indirect contracting, and restricted enforcement in the export industry continue.
Inspection Process		✓	Continued efficiency and effectiveness challenges.
Union Promoters' Reality		✓	Socioeconomic realities and work constraints limited ability to participate in TOT and replicate training.
Limited Organizational Capacity of Unions in Agro-Export and Textile Sectors		✓	Low organizational ability reduced effectiveness of interventions and limited sustainability.
Peruvian Judicial System		✓	Inefficiencies, corruption, and staff shortages allow employers to challenge inspection sanctions, counting on lengthy or indefinite decisions or favorable rulings.
SUNAFIL Leadership Turnover		✓	Slowed ability to file and approve inspections and move them through lengthy processes.

In considering the summative findings in Table 14, internal factors were more likely to facilitate BUCCEP results achievement, while external factors were more often responsible for limiting success.

#### **4.4 Question 4. What is the likelihood that project activities and results will continue absent USDOL resources?**

The evaluation reviewed the sustainability potential for each project's activities and results achieved. Beginning with each project's sustainability plan (both developed after mid-term evaluations), major outputs under the project's major objectives are assessed below for their potential replication.

##### **4.4.1 Building the Capacity of the Peruvian Labor Inspectorate**

The overall probability of replicating PLIP's results without the assistance of USDOL is evaluated as **moderate**. Sustainability considerations for the DO and each IO are presented below.

- **DO (Improved Effectiveness of LIS).** The evaluation cannot assess sustainability for this result as it has no corresponding indicators and, by default, no activities.
- **IO 1 (Enhanced SUNAFIL's Capacity).** The probability of sustaining IO 1 activities and results is **moderate**. Outputs likely to be replicated absent USDOL resources include management improvement actions of reporting templates and inspections standards; data-mining efforts; and the National and Sectoral Labor Inspection Plan. The threat to IO 1 sustainability includes

lack of human and financial resources in INII to enhance SIIT information technology improvements.

- **IO 2** (*Enhanced Inspectors' Capacity*). The probability of sustaining IO 2 activities and results is **above-moderate**. Outputs likely to be replicated absent USDOL resources include: virtual classroom and associated inputs (courses, annual training work plan, and evaluation instruments). The major threat to IO 2 sustainability is that the Training Center is not yet part of SUNAFIL's official structure and is a low-budget priority within the agency.
- **IO 3** (*Improved Labor Inspection*). The probability of sustaining IO 3 activities and results is **low**. Little has taken place across the two SIOs given low political will. A threat to attaining results in the future and sustaining them is the fact that labor inspection continues to be a low GoP priority.

#### 4.4.2 Building Union Capacity to Reduce Precarious Employment in Peru

The overall probability of replicating BUCCPEP's results without the assistance of the USDOL is evaluated as **low**. Sustainability considerations for the LTO and each MTO are presented below.

- **LTO** (*Constituents, Employees, and GoP Address Short-term Contract Arrangements*). The probability of sustaining LTO activities and results is **low**. Replication of activities and results, depends largely on the capacity and resources of a limited number of unions.
- **MTO 1** (*Improved Education of Workers*). The probability of sustaining MTO 1 activities and results is **low**. No replication is occurring (or likely to occur) with respect to trainings, materials' distribution, or formal discussions.
- **MTO 2** (*Improved Representation of Workers*). The probability of sustaining MTO 2 activities and results is **low**. Particularly in textile and agro-export sectors, unions (and to some extent their federations) are challenged by low organizational capacity and resources. Reporting of precarious work practices will occur on a limited and selective basis, as resources allow.

### 4.5 Question 5. What were the lessons learned, promising practices, and emerging trends?

The following are key lessons and promising practices learned from project implementation as well as current trends in Peru's labor context. While most emanate from both projects, some are specific only to one.

**Lessons Learned.** (1) Long-term perspective to LIS change; (2) Adjusting projects' desired change to context and available resources; (3) Considering sustainability and scale early; (4) Purposefully engaging employers; (5) Soft skills matter; (6) M&E support for local implementers; (7) Potential for unintended, negative effects; (8) Importance of developing organizational capacity; and (9) Balancing roles and responsibilities of volunteers.

**Promising Practices:** The National and Sectoral Labor Inspection Plan or PNSIT (PLIP); Leveraging external actors to influence or resolve issues (BUCCPEP); Working through Peruvian institutions (PLIP and BUCCPEP); Effective training approaches (PLIP and BUCCPEP).

**Emerging Trends:** (1) Short-term contracts and outsourcing continue in Peru; (2) Centralization's negative effect on the intendencies; (3) Formalizing labor is the GoP priority; (4) Low-functioning tripartite relationships among workers, employers, and the GoP; (5) Strategic window of opportunity to strengthen LIS; (6) Potential for legal precedent in Peru's mining sector; (7) Diverse sector realities in export industry continued; and (8) Positive outlook for continued partnership.

## 5. RECOMMENDATIONS

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The 10 recommendations presented below are for consideration for future USDOL programming in Peru or, as relevant, in other countries aiming to address similar issues.

- 1. Finding the Optimal Issue Intersect for USDOL Interventions.** Short-term contracting arrangements are indeed a serious and persisting issue in Peru. Given this reality, and the fact that the GoP is not yet ready or willing to address this issue head-on, there should be an honest discussion between MPTE / SUNAFIL and USDOL if there is intent for future programming. In such a discussion, the two actors should find the optimal intersect between issue-priorities, appetite for change, and constituent expectations. As informants pointed out, agreements made from such dialogues should be concretized in a government to government MOU to ensure that any potential future GoP leadership changes do not disrupt agreements or momentum. Three ‘issue options’ for USDOL’s consideration are:

  - *Issue Option 1. Stronger Position on Short-Term Contracting Arrangements.* Continue to focus on short-term contracting arrangements as the major intervention issue. Take a stronger position and potentially involve the office of US Trade Representative (USTR) to link any further assistance on GoP commitment to addressing this issue (beginning with reforming the Non-Traditional Export Law and Outsourcing Law).
  - *Issue Option 2. Focus on the Functional.* Focus upon strengthening the functional needs (see #4 Organizational Development Approach below) of key labor organizations such as SUNAFIL, federations, unions, and employers’ associations. Through such emphasis, a case can be made for political, legal, and cultural change regarding short-term contract arrangements.
  - *Issue Option 3. Focus on Formalization.* Focus upon the MPTE’s priority of “Labor Formalization” as a starting point. Here, programming could leverage its overall intent (i.e., ensure workers are formally contracted, protected, registered, and have access to benefits) to then leverage success for similar change in short-term contracting arrangements.
- 2. Long-Term Programming Approach to Improving LIS in Peru.** Indeed, USG funding has financial and time limitations. However, supporting Peru’s labor inspection system is not a quick-fix effort. Instead it necessitates change in individual and organizational culture, which in turn requires shifts in beliefs, thoughts, and behaviors. Thus, an investment that aims to facilitate improvement in LIS, should be strategic, consistent, and intense over a longer period of time. Short-term, intermittent programming will have limited effects and can also heighten the potential for unintended, negative effects. Minimally, longer term USDOL planning should be developed to then inform available programming resources and timeframes. As possible, funding disruptions and time-gaps should be minimized or avoided.
- 3. Consolidating Projects and Resources.** The evaluation notes that a programming strategy with multiple, ongoing low-investment projects targeting different tripartite actors (workers, employers, and the GoP) is not optimal. In the case of PLIP and BUCCPEP, there was a level of coordination, but efforts (and results) were largely isolated around a single actor (i.e., BUCCPEP intervening with workers and PLIP with the GoP). Given this, and potential resource limitations, a more integrated approach to facilitating change may be warranted. Such an approach would need to take into consideration the major needs of each tripartite actor and develop a program that at once addresses the actors’ needs and connects them. The benefits of such an integrated approach can include strengthening tripartite relationships; facilitating collective or shared tripartite actions; and improving communication and dialogue with employers.

#### 4. Organizational Development (OD) Approach.

Training individuals is important but ideally should not be the primary or unique intervention. Given that both projects worked with and through institutional partners, an OD approach may offer a sound framework to build capacity at individual, group, and organizational levels. Figure 1 shows a generic OD cycle that offers a blueprint to strengthen the culture (beliefs, thought, and values) within and across an organization. Such an approach— one based on iterative assessment, planning, testing, and action—could be useful to strengthen the capacity of tripartite organizations such as SUNAFIL, federations, unions, or employers' associations.

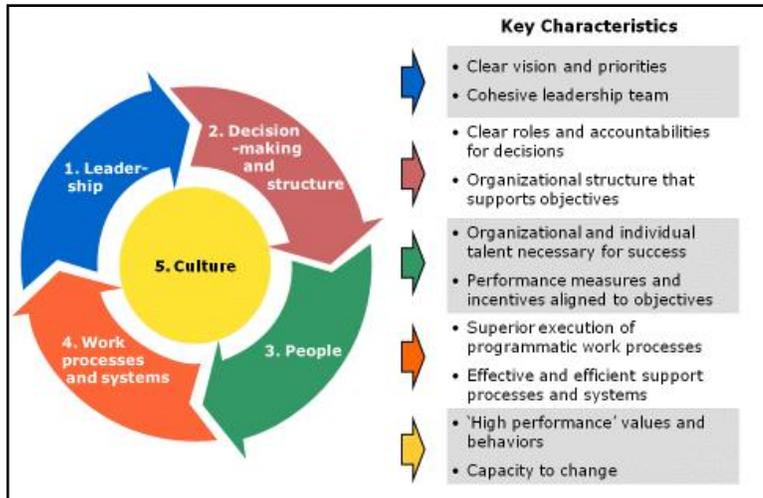


Figure 1. OD Approach

5. **Complementary Tripartite Programming Focus.** Implicit in the preceding recommendations is the need to further focus on strengthening relationships and coordination among all three tripartite members. In particular, there is a need to strengthen the efficiency and effectiveness of social dialogue and collective bargaining in Peru. It is further recommended that USDOL conduct action research to develop a series of good regional practices from the ILO and other organizations to best guide and inform such potential programming.

6. **Consider Requiring Approaches Such As 'Do No Harm'.** In peace-building and reconciliation activities, organizations often use a 'Do No Harm' approach to maximize assistance in conflict scenarios and limit negative repercussions.<sup>35</sup> The principle behind this approach is that development or humanitarian actors commit to not causing further damage and suffering as a result of their actions. Adapting this or a similar tool (which links a deep context analysis to programming intentions) could be useful in preventing (ideally) or limiting negative effects of labor programming in Peru. However, to ensure success of a 'Do No Harm' approach, situation monitoring and longer-term programming (discussed directly above) must complement it.

7. **LIS Programming Options.** Beyond the preceding high-level recommendations, the evaluation presents below more specific options to add-value to programming or to include as project interventions.

- *Learn from Regional LIS Practices.* As discussed, Peru's national Labor Inspection System is just emerging with the establishment of SUNAFIL four years ago. Accordingly, its systems, processes, and policies are still developing. Keeping that in mind, it is important to learn from other regional LIS experiences. In particular, Chile and Colombia have systems that can offer ideas, lessons, and promising practices that can support the evolution of Peru's LIS.
- *Empower Regions and Inspectors.* The need to further develop the human and institutional capacity of the regional inspectorates is significant. PLIP's programmed focus did not reach the regions as planned, given SUNAFIL's lack of priority. This all must change in the future if

<sup>35</sup> See: *The Do No Harm Handbook: The Framework for Analyzing the Impact of Assistance on Conflict*. [http://www.globalprotectioncluster.org/\\_assets/files/aors/protection\\_mainstreaming/CLP\\_Do\\_No\\_Harm\\_Handbook\\_2004\\_EN.pdf](http://www.globalprotectioncluster.org/_assets/files/aors/protection_mainstreaming/CLP_Do_No_Harm_Handbook_2004_EN.pdf)

the agency is to be successful in carrying out its mandate and performing evidence-based, standardized, and objective labor inspections.

- *Leverage Experience to Then Go Deeper.* With the USDOL's body of work in Peru, it has numerous programming options. As opposed to going broader, the evaluation recommends that USDOL continue its momentum and go deeper with respect to established local partners, issue-areas, and geography.
- *Strengthen Tripartite Collaboration.* As possible, USDOL projects in Peru should have a complementary component that seeks to strengthen the functioning of tripartite structures among workers, employers, and the GoP. Minimally, projects should have a programmatic mandate to convene and communicate with key tripartite stakeholders, including employers (e.g., employers' associations, chambers of commerce, etc.).

**8. Sustainability as Part of Project Design.** USDOL's updated Management Procedures and Guidelines (MPG) now require that implementers submit a sustainability plan seven months after award, to be updated annually.<sup>36</sup> However, sustainability and scale must also be emphasized and integrated into USDOL project design by asking:

- a. How can project design facilitate sustainability?
- b. Who must the project work with to heighten sustainability?
- c. What should the project focus on to attain sustainability?

Beyond this, and not implicit in the MPG, implementers should be required to monitor and track sustainability (e.g., one or two sustainability indicators per objective) and report progress as part of TPRs. Collectively, this will enhance the likelihood of replication of activities and results absent USDOL funding.

**9. USDOL Project Design Review Committee.** In both projects, problems with the theories of change led to implementation, management, and performance-monitoring difficulties. Project success is based upon the design of a sound theory of change and corresponding results framework. The theory of change should be based on strong evidence that considers context, state of progress in the problem area, and resources and time available. Both projects' theories of change were faulty. While PLIP's theory of change failed to acknowledge an unsound critical assumption, BUCCPEP's was neither based on sound contextual evidence nor achievable given the time and resources available. To facilitate relevant USDOL project designs and ensure that its theories of change are of the highest quality, USDOL should designate a project-design review committee (i.e., composed of internal and external members close to the project, issue, or country). Such a committee can be responsible for vetting and strengthening a given project's theory of change and its corresponding results framework. Table 15 presents some illustrative questions that such a committee could consider.

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<sup>36</sup> Management Procedures & Guidelines, USDOL, 2019, pp 6, 11-12.

**Table 15. Guiding Questions for Theory of Change Review**

Theory of Change Element	Illustrative Questions for Committee
<b>Evidence Based</b>	<ul style="list-style-type: none"> <li>• Is the theory of change statement derived from the most current empirical evidence available?</li> <li>• If so, what is this evidence and how has it shaped the statement and its results?</li> </ul>
<b>Context Aware</b>	<ul style="list-style-type: none"> <li>• Is the country context (i.e., socioeconomic, political, and cultural trends) and key actor relationships within it, considered?</li> <li>• If so, what are the major trends and relationships, and have they been considered in the theory of change and its results?</li> </ul>
<b>Critical Assumptions</b>	<ul style="list-style-type: none"> <li>• Does the country context, or relationships within it, warrant the design of critical assumptions (conditions outside the project that must hold true in order to achieve results)?</li> <li>• Is there a major critical assumption with a high likelihood of not holding true that may require redesign of the theory of change?</li> </ul>
<b>USDOL Resources</b>	<ul style="list-style-type: none"> <li>• Is the theory of change achievable within the available USDOL resources and timeframe?</li> <li>• If no, what needs to be changed to allow its achievement?</li> </ul>
<b>Achievable Logic</b>	<ul style="list-style-type: none"> <li>• Does the theory of change and its corresponding results framework have sound if/then (causal) logic?</li> <li>• Are results statements too high or too low?</li> </ul>

**10. Consistent Project Level M&E Support.** For both projects, implementing staff inquired as to why more Monitoring and Evaluation support was not made available. The evaluation saw challenges with baseline studies, targets, results statements, indicators, data-collection instruments, and approaches. There were also quality control issues with the final Project Management Plans and how they were populated. These issues challenged project management, ability to adapt, and results achievement. The evaluation, therefore, recommends that USDOL invest in a standard training (could be a virtual format) that helps implementers maximize M&E management across their respective projects. Complementing this, it would be ideal if USDOL M&E technical specialists provided periodic support at strategic intervals (e.g., project launch and every trimester thereafter).

## ANNEX A. GRANTEE RESPONSE LETTER

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### Solidarity Center Response

#### Multi-Project Final Evaluation: Building Union Capacity to Reduce Precarious Employment in Peru

The Solidarity Center appreciates the independent evaluation of its DOL-funded project in Peru and acknowledges the value of the lessons learned and recommendations for future programming. Regarding Recommendation 4, Organizational Development Approach, and Recommendation 6, Consider Requiring Approaches Such As ‘Do No Harm,’ the Solidarity Center partially agrees and respectfully offers the following contextual information.

Embedded within the Solidarity Center’s union strengthening and capacity building programs are organizational development and “do no harm” approaches that take into consideration the fact that unions are microcosms of democracy, whereby workers are decisionmakers within the organization (versus volunteers to an organization), and that “harm” can be in the form of lack of power, resources, voice and fundamental freedoms. It is through organizing workers that collective action can improve working conditions, and ultimately livelihoods, and mitigate risk.

The perennial nature of the threats Peruvian workers face in exercising their rights and seeking democratic participation indicates that the time-tested response of grassroots organizing to build popular power is the most strategic response. To challenge these power imbalances, workers cannot spontaneously produce financial wealth or political connections. Instead, they must identify where their self-interest is echoed in the collective interest of their fellow worker and employ organizing as a tool to create a united mass of citizens willing to bear the risks of breaking the silence to voice their demands, and use the weight of their collective action to create power where there was none. The experience of the global labor movement is that the slow building and strategic exercise of this collective power is the best defender of rights that exist on paper yet are routinely violated, and it is the engine for reform that establishes new rights and standards benefitting all workers. The Solidarity Center’s support to local partners and worker organizations is in direct response to the ongoing threats faced by Peruvian workers and is intended to empower workers that are already advocating for their rights, to do so more effectively.

The agricultural, mining and textile sectors, and subcontracting firms in Peru are notoriously anti-union, with employer repression running the gamut from mass firings of workers who dare to unionize to harassment and intimidation campaigns against organizers. The Solidarity Center’s strategy of concentrating on these sectors is not due to a relative lack of obstacles to organizing, but rather it is those challenges and obstacles that are preventing workers from exercising their freedom of association. In countries and worksites with labor rights violations and repression of worker voice, these routine violations and repression create a climate of conflict against workers. Organizing is not what creates conflict but is the worker response to confront that conflict (with the intent to change power relations and resolve the conflict) instead of quietly withstanding it.